

# Impact of Liberalization and Globalization on Higher Education

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## Abstract:

**E**ducation is governed by constitution of India. In terms of enrollment, India is the third largest higher education system in the world after China and the USA. The quality of human resources of a country normally depends upon the quality of the education of the country. After independence, it has been the vision of Indian government to adopt some economic reforms. So, in 1991 our government adopted "LPG" that stands for Liberalisation, Privatisation and Globalisation. These three are the most important weapons to enhance and to give new opportunities in higher education. Higher education drives, and is driven by, globalisation, a Phenomenon of increasing worldwide interconnectedness that combines economic, cultural and social changes. Globalisation and liberalisation put tremendous effect on higher education and this paper explores the impact of globalisation on higher education with regard to SWOT analysis and liberalisation with its positive and negative effects. The study is on secondary data and it is of descriptive type.

**Keywords:** Globalisation, Higher Education, Liberalisation, Swot.

## I. INTRODUCTION

"Ensuring quality higher education in one of the most valuable present that we can give to the future generation"-Ron Lewis.

Since independence, the higher education system has grown rapidly. The emphasis on higher education in India can be understood by the number of universities currently present in India and the quality of education they provide. As of 2014, there are 677 universities, 37,204 colleges and 11443 stand-alone institutions in India. In terms of enrollment India is the third largest higher education system in the world after China and the USA and the gross enrolment ratio is 21.1. However, in terms the number of institutions. Higher education give a chance to study a subject in which you are interested in and you can use your career prospects and earnings potential. The quantum growth and prospect in the Higher Education sector is controlled by Universities, Globalization advocates external liberalization on the beneficial out comes in terms of economic growth, employment and human welfare expected to flow from greater openness. Globalisation is the ongoing process that link people, neighborhoods, cities, regions and countries more close together. This is the integration of economies, industries, markets, cultures and policy-making around the world. In a recent report, "Indian Higher Education Sector: Opportunities a plenty, Growth Unlimited", Deloitte Touche Tohmatsu India was quoted as saying that, "The private sector's role in the higher education sector has been growing at a rapid pace over the last decade and needs to further expand at an accelerated rate in order to achieve the GER target." Globalisation for most institutions is primarily about quality enhancement (preparing students for employment in a globalised world, attracting best students, attracting best academic staff, etc). But in some countries of course, recruiting international students or delivering programmes abroad at a fee, whether as a franchise or through a full branch campus style development, has become a condition for financial as well as academic health.

Liberalisation refers to respite of previous government's restrictions in areas of social or economic policy. This term is used in position to Economic Liberalisation. The Education System is not Liberal but India is Economically Liberal. The reason behind is that national education industry does not want competition and Government does not want to left it's control and is also suffers from lack of autonomy So it become education system acute stiff and inflexible. Besides all these things there are the minority institutes and companies that really carry out research work. According to a study, in the area of quality and research and the scientific

Higher education has achieved a key position in the knowledge society. The challenges faced are enormous and far reaching. Its impact on the individuals, institutions, systems and societies are not clear but it is viewed in context of various other factors that are operating high education system. Globalization promises dramatic and rewarding change to the higher education systems, of societies, which are relatively stable needed to build well performing higher education system. Higher education trains the highly skilled workforce and contributes to the research base and innovation capacity.

## II. IMPACT OF GLOBALISATION UNDER SWOT ANALYSIS

The term 'globalisation' was introduced by Adam Smith specially for the field of economy in 1776. This term officially started in the last phase of 20th century. At that time there was no university anywhere in Europe, Takshasila, Vikramasila, Pallavi and Nalanda Vishavidyalaya in India were radiating the rays of higher education among the nations

of home and abroad. Higher education is affected by global and it is a burning situation. Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis protects Indian higher education from global effects as well as may also help to extend and strengthen the market of Indian higher education in inland and abroad by matching internal strengths and weaknesses of the existing system with external opportunities and threats.

### III. STRENGTHS OF INDIAN HIGHER EDUCATION SYSTEM

Strength means a resource, skill, financial resources, infrastructural facilities, good name, market leadership or other advantages relative to competition and the needs of markets a firm serves or anticipates serving. In recent years technical education has grown rapidly. With recent capacity additions, it now appears that the nation has the capability to graduate over 500,000 annually, and there is also a corresponding increase in the graduation of computer scientists (roughly 50,000 with post-graduate degree). In addition, the nation graduates over 1.2 million scientists. Thus, India's annual enrollment of scientists, engineers and technicians now exceeds 2 million. The strengths of Indian higher education system are:

- **Economy:** The cost of education in India is quite low as compared to many other countries of the globe.
- **Quality:** Government of India established statutory bodies to ensure quality of education so in India there are some educational institutes that provide world class education. The government of India is also speeding up the efforts to establish more such institutes which can offer quality education in India.
- **Consultation service:** The government of India provides consultation service to the interested international students through Educational Consultants of India. Thus, one can get all the information about the Indian education system, cost of education, duration, visa schemes and accommodation facilities even before landing up in India.
- **Uniqueness:** India has some unique courses that were discovered and developed by the traditional knowledge system of India. Ayurveda, Sankrit, Yoga, Hindi are some such courses that enthuse many international students.

### IV. WEAKNESSES OF INDIAN HIGHER EDUCATION SYSTEM

Weakness is limitation or deficiency in resources, infrastructure, Skills, capabilities and interpersonal relationship that seriously impedes effective performance of an organisation. The weaknesses of Indian higher education system are:

- **Faulty Regulatory Framework:** In India, there is a highly complex and unclear regulatory framework at Central & State level.
- **Less Government Contribution:** The decreasing trends of public expenditure on education badly affects the growth of Indian education system. The Indian first post-independence Education Commission recommended 6% of the national income be allotted as govt. expenditure on education. But now it is lie between the 1% -2%.
- **Lack in Industrial Collaboration:** In Indian higher education system, there is lack of academic-industry cohesion and this leads the industry in the dark of depression. The oldest universities in India are still averse to the collaboration of academic world and industrial world.
- **Inappropriate for Research Work:** In Indian higher education system the Infrastructural and other facilities are not beneficial to carry on research work at international level. With a very low level of PhD enrolment, India does not have enough high quality researchers; there are few opportunities for interdisciplinary and multidisciplinary working, lack of early stage research experience; a weak ecosystem for innovation, and low levels of industry engagement.
- **Inadequate Facilities:** The insufficiency of well structured and accredited institutions in India cannot offer abroad programmes for foreign students. Education still covers limited population of the country. The country still has 46% illiterate females and 24% illiterate males. The dropout rate is very high 60% of the children do not attend the secondary school. Only 2.5 % of the Indian population attends colleges and universities.
- **Limited Scope for Emerging Fields:** The capacity of India's institutions is very much limited to meet the growing demand for postgraduate education in emerging fields viz; Bio – technology, Oceanography, Nano Science etc.
- **Insufficiency of Competent Faculty:** To meet the global challenges dedicated and competent faculties in universities, colleges and professional institutions are not sufficient enough in higher education.
- **Theoretical Based:** The main loophole of Indian education system is that most of our education is theoretical based rather than practical .For example; there is too much emphasis on general education as compared to technical and vocational education.

### V. OPPORTUNITIES OF INDIAN HIGHER EDUCATION SYSTEM

Opportunity is a major favorable situation for the identification of a previously overlooked market segment, changes in competitive or regulatory circumstances, technological changes etc. India is expected to emerge as a Global hub in education in Asia Pacific region. So, opportunity is a chance which include event may be happened or not. The opportunities which are now coming in the way to Indian higher education system are:

- **Core Values:** Indian education policy now acquaints with the five core values; contribution to national development, fostering global competencies among students, inculcating a value system among students, promoting the use of research and technology, and quest for brilliance.

- **Study India Programme:** The UGC has decided to invite proposals from institutions that are wholehearted on 'exporting Indian education to foreign learners under a 'Study India Programme' (SIP).
- **Bright future of research:** There is adequate focus on research in higher education institutes. There is a top priority in research mostly, but not exclusively, with the 'tier 1' institutions. Research funding is likely to increase.
- **Adoption of Modernisation:** There is a top priority for government to driving innovation, supporting technology transfer, encouraging impact-driven research. Therefore, all institutions are enthusiastically establishing a bond with the industry.
- **Tie up between Government and Private Sector:** It is need to create jobs and enhancing employability across the globe, particularly in government and private institutions.
- **Education in Five Year Plan:** The total allocation of funds for the education sector, under the 12th Five Year Plan (2012-17) is about \$82 billion; out of which the share of higher education is only 24%. The remaining share is spread across the primary and secondary education segments. Besides the limited government resources, the higher education sector holds an immense opportunity for local and foreign investors. Increasing the quality of teaching and learning is central to government plans over next five years, including faculty exchange. Considerable scope and scale in state-funded institutions and the private sector.

## **VI. THREATS OF INDIAN HIGHER EDUCATION SYSTEM**

A Threat is a major critical situation in firm's environment like the entrance of a new competitor, slow market growth, major technological changes etc. these are the examples of threats which are regularly being faced by an enterprise. The threats of higher education system are:

- **Unaccountability:** The fake university syndrome highlights the problems with higher education in the country like absence of accountability, lack of quality control and a considerable failure to live up to the expectations.
- **Restrictiveness of Domestic research:** The global effects restrict contributions of academic institutions for national development, research relevant to the local needs and for participation in strengthening of civil society.
- **Inconsistency in Higher Degrees:** The global effects create a differentiation among the same degrees obtained from foreign universities, from costly private domestic institutions and from government funded institutions. The global effects on many occasions generate a great possibility of cheating of Indian students from the sub-standard courses of abroad.
- **Incompetent Faculty:** Another fact is that deterioration in quality of education especially in private sector due to lack of availability of trained and competent faculty.
- **Attractiveness of Foreign Education:** The global effects raise a possibility of loss of foreign exchange due to increasing interest of parents to get their children admitted to foreign educational institutions.
- **Hazardous for Ethical education:** The global effects introduce the concept of commoditisation of education and it changes our culture, ethics of social welfare and even the quality of Indian higher education.

## **VII. IMPACT OF LIBERALISATION**

According to the Article 25 of the Companies Registration Act, educational institutes in India can be set up only by trusts, societies and charitable companies but the profits cannot be taken out of the institution and have to be reinvested. However, the government does not define and clarify rules for foreign universities to set up campuses in India. Interested parties have been hesitant about moving forward until they are clear about the degree of regulation, funding, and other issues. Since its succession to power, the present government has adopted readjustment and liberalisation policies in an attempt to improve the deteriorating economy, but those policies have had negative and positive impacts on the economy and the people. Social services were hardest hit by these liberalisation policies. This would allow foreign universities to set up their campuses in India.

### **Positive Impact:**

- In the Indian economy, major part is contributed by the service industry but now the education sector will become a large economic source.
- After liberalisation constant fund will also facilitate a research-based career and give an option for the bright future of Indian teachers and students.
- It will expand the supply and the competition among educational institutions will ensure that they do not charge excessive premium for education.
- Liberalisation offers students an option of studying near home. It also curbs brain drain which is also a nation's loss. The Graduates with specific skills allow corporate to ensure the development of better industry.
- With the liberalization policy, there is a tremendous change in educated population that implies rapid developments in technology and communications.
- Education is a continuous because it is not end with graduation so the system also keeps on changing as the nation grows and adding recent advancement.
- Foreign higher educational institutes would create competition with the local institutes making them internationally competitive. Also FDI in education would create new institutes and infrastructure and generate employment.

- One country includes expertise in some subject and other country may have in some other subject so if they exchange their knowledge it benefits both the countries.

### **Negative Impact**

- Private firms using the opportunity of liberalisation to convert education into business and take stocky amount of fee and provide low quality of education. So, those colleges who supply education without efficient faculty and environment, having very short future prospective.
- FDI in any field does not have an attached objective of fulfilling social agenda of the welfare state. It is guided by profit and market. This would result in commoditisation of education.
- There is a shortage of funds in higher education sector. And there are not many ways in which this investment in this sector can be increased domestically.
- As per past observations, most foreign institutes target market by investing on technical courses for their business prospective only rather than in quality education and research which is important for creating and developing human resource.
- Corruption is widespread in education system in India. Due to overkill competition, a number of colleges and Universities awarding false degrees, taking bribe to clear the exams, and going through unfair lane for marking.
- It puts negative impact on local education institutes because they have limited capital and they have to face tough competition from reputed ones because national certificates will be less valued as compared to the world recognised certificates.
- Higher education is largely an unregulated market. In India there are uninformed or simply dubious institutions who provide partnerships with low-quality colleges and universities in India
- There are prestigious universities hoping to build links overseas, recruit top students to their home campuses and strengthen their brand abroad. But there is no dearth of mere sub-prime and low-end private institutions which are seeking to stave off bankruptcy through the export market and there are even a few respectable universities which have been forced by government funding cutbacks to raise cash elsewhere.

### **VIII. CONCLUDING COMMENTS AND RECOMMENDATIONS**

The impact of globalization and liberalization on higher education is deal with technical/legal issues of the agreement, education policy issues such as access, accreditation, quality, funding, and intellectual issues for society such as the role and purpose of higher education.

Both the quality and quantity has to be improved in our education system and certainly with a faster pace. Education is certainly an “Opportunity” for the “YOUNG” India if delivered responsibly and equally to all the stratum of society. A new revived education system should be introduced which focuses on equitable, inclusive and sustainable growth along with provision of professional knowledge and skills.

- Since a large number of students go abroad for their higher education, it is sensible to allow foreign universities to set up their campuses here, in India. This would help in arresting the outflow of monetary and human capital.
- It is suggested that educational institutes and organisations as well as regional and national education groups give more priority to the policy issues emanating from trade liberalisation and examining how to get fully benefit from new opportunities that are available.
- Globalisation had effect on educational technology to change the way of education deliver as well as roles played by both teachers and students. The progress of this technology is to shift industrial based society to an information-based one.
- We need to implement the reforms in the education system and also bring forth new factors of production, namely knowledge, skills and technology which have the ability to unleash the productive frontiers of the economy in the most efficient and dynamic way.
- There is an urgent need to address the deficiencies facing by our higher education sector. one sided response to it won't solve the problem. The best option is the middle path. Government should allow foreign universities to invest in education sector but under strict regulation. It should shortlist the preferred universities for investment and then invites them to set campus in India.
- Government needs to act with strictness and carefulness in development of higher education. Low grade universities should not be allowed to open their campus in the country.

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