

The Marketization of Education and Late Capitalism

***Dr. Anant Vijaya Soni**

Abstract

Knowledge has always been playing important role in agricultural as well as industrial economy. In fact, this use of knowledge has been increasing since Industrial Revolution. In knowledge economy, the degree of incorporation of knowledge and information is so great that it is inducing quite profound structural and qualitative changes in the operation of economy and it is transforming the basis of competitive advantage.

This paper examines emergence of knowledge society and impact of globalization on education. In fact Marketization and professionalization along with privatization of education are deeply connected with globalizations.

Keywords: knowledge, Marketization, education, globalization, commodity.

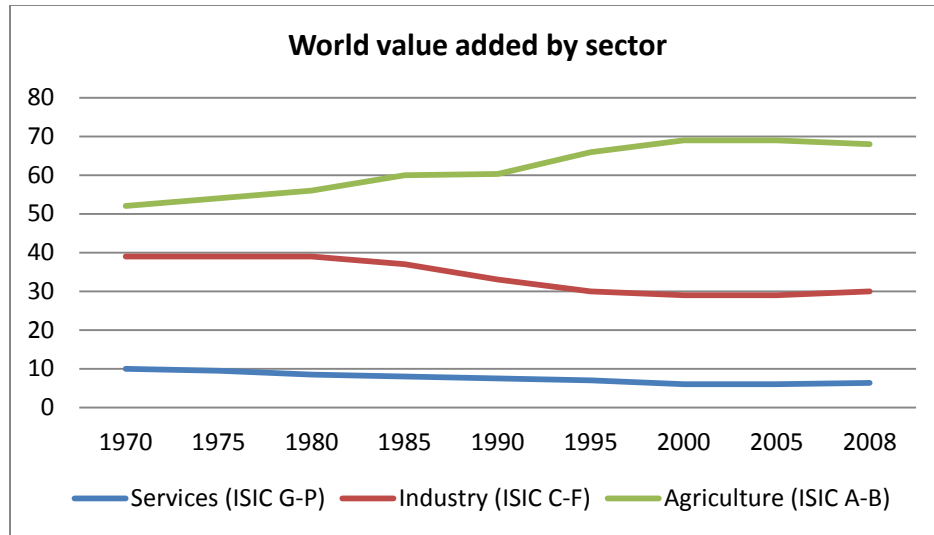
For both the developed and the developing nations, the balance between knowledge and resources have shifted in such a way that knowledge has become perhaps the most important factor determining standard of living- more than land, than tools, than labor. Today's most technologically advanced economies are truly knowledge based. These observation of world Bank can be linked with views of Toffler.

In his famous futuristic book , The Third Wave, Alvin Toffler suggests that human civilization can be divided into three major phases-the First Wave- dealing with agriculture revolution which took thousands of years to play itself out, the Second Wave-the industrial revolution which took 300 years and the Third Wave- the information age which will complete itself in few decades. He points knowledge as the most democratizing source of power and great growling engine of change is technology. The important role of knowledge, thus, is the guiding principle of knowledge society in which marketization of education has appeared as one of the mechanism of educational mobility.

Knowledge has always been playing important role in agricultural as well as industrial economy. In fact, this use of knowledge has been increasing since Industrial Revolution. In knowledge economy, the degree of incorporation of knowledge and information is so great that it is inducing quite profound structural and qualitative changes in the operation of economy and it is transforming the basis of competitive advantage. United Nations Industrial Development Organization's (UNIDO) Report on Structural Changes in the World Economy (Working Paper 24/2009) concludes that from 1970, tertiarization coincided with downsizing of the manufacturing sector'.

The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni



The Knowledge Economy is emerging from two defining forces: the rise in knowledge intensity of economic activity and the increasing globalization of economic affairs. Faster pace of technological changes and revolutions in information technology are driving the rise in knowledge intensity. Globalization is being driven by deregulation both national and international and revolution in means of communication and transport. The term knowledge economy, therefore, refers to the overall emerging structure. With advent of computers and development in communications technology there has been information explosion. With increased application of computers and communications technology society has been revolutionized. This became possible because cost of applications reduced greatly overtime and at the same time increasing user friendly products were developed. Development of hardware and software — including scanning and imaging technology, storage of digital information, transmitting medium like optical fiber, satellite communication, nanotechnology etc. are helping users realize the potential of IT revolution. Internet is the result of convergence of all these technologies. It has exemplified the IT revolution. It has become possible to manipulate, store and transmit large quantities of information at very low cost. Also, information technology is all pervasive in its application. It is impacting every element of society. Total population of the world is 7.2 billion and 2.90 billion are using internet on date. 85% of world population is within coverage area of one or more cell phone towers (Dainik Bhaskar/Patna edition/7Dec/2014). Serious international efforts are on to bring the remaining population online. Thus, total connectivity will revolutionize the way we think and work. Such connectivity encourages child to learn various modes of life for which he/she searches the market. Educational knowledge, here, becomes a commodity.

Because of its low cost, the application of knowledge to all aspects of the economy is being greatly facilitated. More and more knowledge is being utilized in development of product and services and

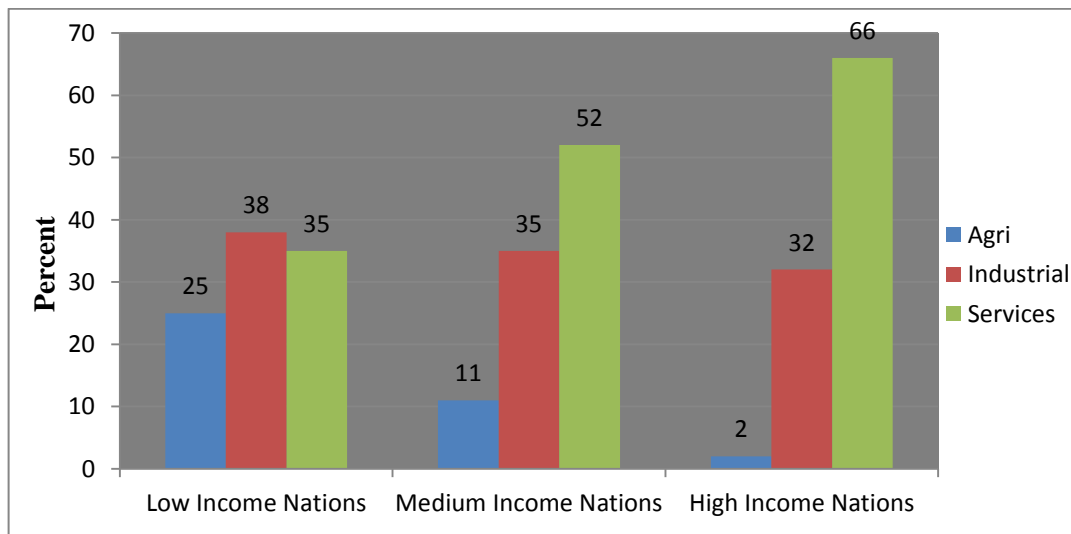
The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni

importance of these goods and services is also growing. In industrial era, needs of the society preceded production of goods and services. Now products and services are developed first and demands are created subsequently.

National economies are showing benefits of this trend. The Economic Survey 2013-14 noted that India has the second fastest growing services sector .with compound annual growth rate (CAGR) at 9%, just below China's 10.9%, during the last 11-year Period from 2001-12. (quoted by C P Chandrasekhar , The Hindu dated 5th August 2014). In USA the index of knowledge composition of wages is well above that for employment and the gap has been ever increasing. This implies both higher wages per unit of employment in the more knowledge intensive industries post 1970. Wages in knowledge intensive industries have grown rapidly. Mark Zuckerberg, Cofounder, Chairman and CEO, Facebook, Inc. possesses real time net worth of US\$ 33 billion dollars as on 12.7.2014@1120AM (www.forbes.com/profile/mark-zuckerberg). He was born on May14, 1984 and co founded Facebook in 2004. By 2007 he became a billionaire. His net worth is more than a dozen of engineering giants of India put together. He started with almost zero capital and amassed fortune within no time. This kind of wealth creation has become possible only because of internet and its wide reach. Successful e-commerce stories are hitting the news paper headlines regularly with sales worth billions of dollars in a single day. They are selling commodities at fraction of prices of same products in physical markets. They are acting as direct link between producers and consumers.

Global market capitalism has produced affluence and innovation. The commercial knowledge and technology intensive (KTI) industries play a big role in developed economies. The large component of KTI industries — the knowledge intensive (KI) services industries — employed 18 million workers and produced 22% of U.S. GDP in 2012.



The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni

Sectorial Growth Rate (Business as usual scenario)

Sector	Growth Rate
Agriculture	3.3
Mining & Quarrying	3.2
Manufacturing	6.8
Utilities	6.0
Constructions	7.3
Trade, transport, hotels and so on	10.0
Finance, insurance, real estate, etc.	10.7
Community, social and personal service	8.3
Overall	7.9

Source: 12th Five-Years Plan Document

The World bank publishes Knowledge Index (KI) and Knowledge Economy Index (KEI). KI is a measure of ability. This is regarded as an indication of overall potential of knowledge development in a given country. KEI takes into account whether the environment encourage knowledge to be used effectively for knowledge economy. There are four pillars on which a countries capability to become knowledge economy is assessed by World Bank. Firstly, the Economic Incentive and Institutional Regime comprises of incentives that promote the efficient use of existing and new knowledge and the flourishing of new knowledge. Secondly, an efficient innovation system made up of firms, research centers, universities, think tanks, consultants and other organizations can tap into the growing stock of global knowledge, adopt it to local needs and create new technological solutions. Thirdly, an educated and appropriately trained population is capable of creating, sharing and using knowledge. Lastly, a modern and accessible ICT infrastructure serves to facilitate the effective communication, dissemination and processing of information. KEI is based on overall performance of a country or region. KI takes into last three parameters. The first five KEI countries are Sweden (1), Finland (2), Denmark (3), Netherland (4) and Norway (5) in the year 2012. The USA is ranked 12, Japan 22, Russia 55, Brazil 60, China 84 and India 110 in 2012.

The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni

IMPORTANT KNOWLEDGE INDICATORS

Indicators	Values		
	India	China	USA
Total telephone per 1000 people (2009)	480	800	1470
Total computers per 1000 people (2008)	30	60	810
Total internet per 1000 people (2009)	50	290	780
S&E Journal Articles/Million people (2007)	16.18	43.11	695.99
Average year of schooling (2010)	5.12	8.17	12.20
Gross Secondary Enrollment ratio (2009)	60.02	78.19	93.57
Gross Tertiary Enrollment ration (2009)	13.48	24.53	85.93

Source: World Bank. Figures updated in January 2012.

These indications have led to the consciousness that quality education is indispensable for (global) employment and self-employment centric nature can be internalized into personality through 'private / elite schools'. Such perception leads to the legitimacy of mercerization of education.

..... What is generally called globalization involved the extension of distinct relations of ideological, economic, military and political power across the world. Concretely, in the period after 1945 this means the diffusion of ideologies like liberalism and socialism, the spread of the capitalist mode of production, the extension of military striking ranges, and the extension of nation states across the world, at first with two umpires and then with just one surviving.(Mann 2013:11) (Mann, M.(2013). The Sources of Social Power: volume 4, Globalization, 1945-2011. Cambridge: Cambridge University Press)

Anthony Giddens (1990) has described globalization as 'the intensification "of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.' Advancement in- the field of science and technology have revolutionized transport and communication. As a result, the distance between nation and state have shrunk, making world as a global village. It has resulted in closer integration of products and financial markets across the world. IT enabled services have eliminated the need of travel. This globalization has caused profound impact on education.

The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni

World level organizations, like World Bank; OECD, IMF, -UNESCO etc. have been providing financial assistance and international guidance. The global macro decisions made at the superstructure level trickle down to micro decisions at local level (Joel Spring: 2008).

Central feature of globalization is the increasing extension and integration of markets around the world. As a result of integration changes in one part has profound impact in some other part of the globe. There is obliteration of national boundaries to some extent. Under globalization, not only money and goods, but also people, cultural products and images circulate rapidly around the world, enter new circuits of exchange and create new markets. Products, services or elements of culture that were earlier outside the market system are drawn into it (NCERT: Indian Society/ class XII, p-76)

The global communications revolution has been accompanied by a widespread movement to economic deregulation including the reduction in tariff and non-tariff barriers on trade in both goods and services, financial market and currency reform, the reduction of barriers to FDI and other international capital flows and liberalization of product market in telecommunication, insurance, finance, air transport etc. As a result, FDI and other capital flows have grown more rapidly than growth in trade. Current phase of globalization is about movement of capital more than trade. Recent trade and capital flows reveal remarkably rapid globalization. The rapid integration of world financial and capital markets since the early 1980s, impacts on every element of the financial systems of developed countries, as well as on the systems of an increasing number of developing countries. Financial market integration has witnessed a sharp expansion in net long term lending to developing countries.

These forces make impact at the local level. The firms at local level have to adopt global strategies to deal with new competition in globalized markets. The interdependent role of the various elements of globalization are all contributing to transformation of global economy and society.- Three broad positions exist on significance of globalization. Some people regard globalization as panacea for all ills, sceptics argue that the nation state remains the central actor. The transformation lists see some major transformations but also the persistence of older forms.

With the advent of knowledge economy and increasing globalization on one side transnationalization of production of goods and services is growing on the other side, knowledge based activities are clustered or concentrated in one place. There is growth differential and wealth created is not being distributed equitably. These gains generally flow at substantially higher rates to owners than to workers. (Thomas Picketty/ Capital in the 21st Century). World Bank Group President Jim Yong Kim in his address on 1st October, 2014 appealed for boosting shared prosperity as an effective means to tackle inequality.

India is home to more than 1.2 billion people and out of them 400 million are poor. Per capita income is US \$1410 which is one of the poorest of the world's middle income countries. Therefore, to raise per capita income in short time India has to improve its knowledge competitiveness. There is urgent need to focus on basic and higher education to increase KI and KEI so that it may prosper at a rate comparable to developed economies. Education constitutes one of the services being negotiated

The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni

under GATTs. The WTO's education agenda is to speed up the business takeover of education through its commercialization, privatization and capitalization.

In the present era, the sources of wealth come from knowledge and communication rather than endowments like physical labor or natural resources. Analysis of trade related data easily convinces that the services sector is the most dominant sector in any economy. The growth in agricultural production and industrial sector has lagged far behind the tertiary sector which predominantly constituted of services in all high per capita income countries. The service sector has not only been the largest employer, but also being distributing higher wages. Therefore, the key to economic growth and betterments of its people of any country lies more in its performance in the services sector. This sector is knowledge intensive. There is a growing importance on both basic and higher education to tap into the growing stock of global knowledge, adapt it to local needs and create new technological solutions for their problems. An educated and properly trained population is capable of creating, sharing- and using knowledge.

India is a planned economy and policies of liberalization, privatization and globalization pursued since late 1980's, have propelled rate of economic growth very much.

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The Marketization of Education and Late Capitalism

Dr. Anant Vijaya Soni

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The Marketization of Education and Late Capitalism

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