

## **Convocation Address - I**

***Tun K***

*(World Health Organization Representative to Sri Lanka, 23 August 2002)*

### **Globalisation and its Implication on Education and Human Resource Development**

Over the last two and a half decades, the world economy has made fundamental changes that touch almost every aspect of human life all over the world. Without exception, these fundamental changes have also altered the way education is conducted as well as the mode and type human resources are produced. Many of us called this phenomenon "globalisation". The theme of my address today is "Globalisation and its implication on education and human resource development".

What is globalisation? 'Globalisation' is a loosely used term, which entails different meanings to different people. Some visualize it simply as a historical economic process, as in the case of the IMF, which defines globalisation "as the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows." Others see globalisation as something far beyond the economic dimension. As for me, I prefer to use the narrower definition of the term used by the Canadian Government which sees "globalisation" as a description of the increased mobility of goods, services, labour, technology and capital throughout the world.

Regardless of how we define globalisation, its implications are not just economic, but political, social, cultural and environmental.

Without doubt, globalisation is a historical process, which evolves from over 100 years' of social, political, economic, and technological changes. It is only in the recent two decades that the pace of globalisation has increased with the advent of new technologies and financial liberalization, hence its impact more prominent. As the IMF points out, globalisation means that world trade and financial markets are becoming more integrated. My personal view is that globalisation has a broader meaning. It means that the proliferation and adoption of

technological knowledge world-wide has reached an unprecedented speed. This is mainly the result of the advent of telecommunication technologies, a key characteristic of the recent globalisation process.

Let us consider the four main aspects of globalisation and their impacts on developing countries:

### 1. Trade

Over the past few decades, global trade is becoming more and more integrated. Many developing countries, particularly the newly industrialized Asian countries have benefited from the increase of global trade. Per capita incomes in these countries have witnessed dramatic increases through growth of their export-oriented economies through trading of manufactured goods. On the other hand, developing economies that rely mostly on trading of primary goods and raw materials (e.g. food and raw iron) have become less and less significant as their share in world exports continues to decline.

### 2. Capital flows

The private capital flows to developing countries from developed countries have increased sharply over the past 10-15 years mainly in the form of private direct foreign investment. On the other hand, since the 1980s, the flow of foreign aid to developing countries has fallen significantly. The flow of private capital to developing economies fluctuates widely over the past two decades.

### 3. Movement of Human Resources

The number of workers migrating from one country to another to find better employment opportunities has increased sharply. Most of the migration occurs between developing countries but a significant share of the migration is from developing to developed countries. The latter has brought about some kind of equalization of global wages and the transfer of skills from developed countries to developing countries.

#### 4. Spread of knowledge and technology

An overlooked phenomenon of globalisation is the spread of knowledge and technology globally at an unprecedented speed. Investment by developed countries in developing economies not only brings in capital inputs, it also leads to technological innovation. The knowledge of production and marketing methods, management approaches and economic and financial policies and strategies, introduced to developing countries, through direct foreign investment, is a highly valuable resource for the developing countries.

Based on the above trends of the key aspects of globalisation, one can properly imagine the impact of globalisation on education and human resource development. However, how globalisation affects education and human resource development remains to be a very complicated issue and I don't think I can provide a full elaboration of the process. I will just give you some illustrations of the impacts:

##### 1. Increase in competition in a world economy

Globalisation of trade means global competition among businesses. To be global competitive, companies world wide are merging to form bigger enterprises. Competition among global companies has become increasingly stiff. A global business or organization needs to have an effective global human resource management system with capable and highly mobile personnel recruited from around the world to design, produce and manage effectively in order to stay competitive. New skills and state of the art technical knowledge are constantly in demand and this demand is occurring world-wide.

##### 2. Need for lower labour cost and better quality labour

The global economy, in many ways, operates like a domestic economy. Products and services must be competitive both in cost and quality. This means that global enterprises will have to produce better quality goods and services at prices that are relatively lower than their competitors. In the process of doing so, manufacturing of goods that are relatively easy to produce by machine or require relatively low level of skills to produce are taken over by robots and other mechanical means. Unskilled labour is on the wane. People who do not have sufficient technical knowledge or do not have

relatively high standards of education will find themselves unemployed.

3. Increase in demand for skills and knowledge that are traditionally not available in closed and-developing economies The presence of global enterprises all over the world means that skills and knowledge that are previously minimally required in certain closed or developing economies could now be in greater demand in these countries. The dramatic growth of human resources in the IT sector in India is a very appropriate example to illustrate this point. Many global companies are now outsourcing their IT tasks to Indian IT companies which has led to a huge demand for IT personnel in India which would not have happened if globalisation was not at work.

4. Changes in the process of production and consumption

Globalisation has brought about major changes in our concept about production consumption. As Dr. Keith Head in one of his lectures said, "*the nationality of the owner and controller of productive assets is independent of the nation housing them*". Goods and services can be produced or assembled anywhere in the world based on consideration of costs of factors of production.

Globalisation of consumption means that the place where a product is made is independent of where it is consumed. Products and consumptions therefore need to be globalised and customized to maximize profits. This new requirement has significantly raised the demand for highly skilled people to meet this challenge.

To meet the above challenges, countries must be able to meet the demand for skills and knowledge at the global level. They must make their educational systems to globalize the skills of its citizens in order to produce a 'knowledge economy'.

5. Cultural and value changes

One of the strategies adopted by many global enterprises to increase sales of their products and services is to change the value and culture of their potential markets so that the demand for their products will increase. This is sometimes referred to as globalisation of culture. In fact, many big multi-national corporations are setting up its own schools and training institutes to achieve their objective of branding and value change. Is our educational system prepared for this assault? Do we need to do

anything to change the way we educate our children and to pass on our values and culture to them?

## 6. Changes in business operation

The de-localization of the production process and the application of advance technologies anywhere in the world have drastically changed the way business is run. Our education system needs to adapt fast to advance technologies and we need to produce a highly adaptable, skilled and highly mobile workforce to cope with the demand and the rapidly changing economic environment. I emphasize the word 'skill' because our current education system emphasizes too much on literacy and general education without giving adequate attention to skills development. In today's world, a society that has high literacy rate is not enough it must be highly knowledgeable and skilled.

After the above illustrations, I believe you have already got some idea about the impacts of globalisation on education and the Sri Lankan educational system. I will elaborate more on these points. I can see at least six major areas of high impact. However, I am unable to predict the direction of these impacts.

### 1. Government sponsorship in public education

Globalisation, more specifically, economic globalisation tends to exert the application of pure market mechanisms. These mechanisms might force governments to reduce their expenditure or state sponsorship in education in the name of promoting better management and efficiency. For many developing countries, the austerity measures imposed by many international financiers as conditions for providing loans may also force governments to cut back severely on education expenditure. On the other hand, globalisation might lead to increased expenditure on education as a desire by national governments to ensure their countries' economic competitiveness and productivity in the global market.

### 2. Autonomy of national educational systems

One of the fundamental goals of education is to prepare young people to enter the job market so that they can contribute to the national economy. Globalisation alters the governance of national

education systems. It has reduced the autonomy of national educational systems that they have enjoyed for so long. No longer can they make, or afford to make, a unilateral decision on how their younger generation should be educated in their own countries without considering the global economic trend. Our educational system must be designed or re-designed in such a way that it can cultivate marketable skills and competences.

### 3. Changes in values and culture, the question of identity and multiculturalism

Education is a socialization process. It shapes and molds the young generation of our society so that they will inherit the values and cultures we pass on to them. Towards this end, the formal education system plays a major role. While we have to adapt our education system to meet the economic challenges of globalisation, we must change the education system to meet the cultural challenges imposed by globalisation while at the same time prepare our children to be cross-cultural and multi-cultural. The society has to decide in what direction it wants to acculturate.

### 4. Needs of the global market

The economic constraints of most developing countries when faced with rapid economic globalisation have literally forced governments to reconsider their policy on education. Should their education system follow the line of equity and equality as most developing countries are still pursuing or should they move towards elitism to face the challenges imposed by globalisation? How can governments of developing countries meet the demand to produce a highly diversified yet highly skilled workforce without having to bear the huge educational and training costs? Is privatisation of education the way to go? How do we ensure that the principles of equity and equality in education can be maintained so that both the rich and poor will have equal footings to start their lives?

### 5. Migration of skills and changes in the role of educational institutions

Traditionally, our educational and training institutes are developed to meet the needs of the local economy. Most of the skills and knowledge produced by these institutes were normally expected to stay in the society for a relatively long period of time. Globalisation has changed all these expectations. With the rapid movement of skilled labour across borders, our institutions must also be able to

produce the right skills and the number of people at the right time to meet the global needs. They must be able to meet acute labour shortage problem as well as the demand for re-training and re-education. No longer can they afford to maintain an inflexible number of departments, teachers and students as well as the amount of funding in an indefinite period of time. They have to be far more flexible, mobile and be able to offer courses both in class and in the form of distant learning.

In conclusion, regardless of how we see globalisation, it has made a significant change to the way we think about education and human resource production. Globalisation will continue to push for a borderless world. Our education system must be able to meet the needs of the global market in order to maintain and to enhance the competitiveness of the national economy as a whole. The national educational system must change its own values and its own views of what education is about to its citizens. It must be able to prepare its citizens and the society to meet the challenges of globalisation and, at the same time, maintain the culture of the society so valued by its citizens. Whether globalisation is a threat or an opportunity to our society depends on how well our educational and training institutions cope with the challenges of this evitable historical process.

Today is a day that many of you will never forget because it is the day you are graduating from this University. Many of you are probably nervous about your future but I believe the Open University you attended has prepared you well to enter into the labour market, to meet the challenges of globalisation, and to be productive and responsible citizens of Sri Lanka. I take this opportunity to congratulate all of those who are graduating today and I thank the Open University for giving me this opportunity to address all of you in this memorable event.