

CORPORATISATION OF HIGHER EDUCATION: LIKELY SCENARIO

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Abstract: Corporatisation is a process of making a state body into an independent commercial company. This is often the first step in the process of privatisation in which the ownership of a former state body is transferred to the private individuals and institutional investors. This corporatisation has also entered into the Higher education System. This move towards the corporatisation of higher education assumes universities as being similar to large business organisations and therefore being capable of being run as businesses. Among these, it is observed that the growth trend for private institutions of higher education is increasing. This leads to the fact that higher education necessitates attention to its basic purpose of teaching, research and dissemination as well as the overall management at macro and micro level. In the above context, the authors explain the process of corporatisation as it occurs in the field of higher education. Consequent to the corporatisation, its effect will be observed in three critical areas: curriculum and courses; research and management.

Keywords: Corporatisation, Higher Education.

1. INTRODUCTION

A serious attention to higher education has an immediate urgency for various reasons. The first is the demographic advantage that India possesses in terms of the young population which is an asset for the economy. The 2011 census has reported a young population of 600,000,000. Secondly, the knowledge based economy requires skilled personnel and personnel with specialized knowledge which higher education can provide. Investment in education, particularly higher education, leads to the creation of human capital, which is an important input into socioeconomic development of a nation. According to Barro (1999) the rate of economic growth responds more to secondary or higher education levels rather than elementary schooling. For example, in developing countries international trade, which is one of the key determinants of growth, favours either highly qualified university graduates or those who have at least finished their high school. So it is no surprise that in order to run the race to be competitive, many developing countries have a tendency to invest in higher education at the cost of primary education to achieve greater growth. Lastly, is the gap which exists between the seekers of higher education and its providers. The gross enrolment ratio (GER), an indicator of the level of participation in higher education, is over 45% in advanced countries. The Gross Enrollment Ratio (GER) in higher education in India has improved to 23.6 per cent in 2014-15 from 21.5 per cent in 2012-13. Overall, the enrolment in higher education was 33.3 million in 2014-15 compared to 30.1 million in 2012-13, according to All India survey on higher education (AISHE) released by the Ministry of Human Resource Development (HRD). Although India has shown improvement in the past decade and the number of institutes and number of students enrolled have improved but it is still not consistent with the global ratios for GER. The average GER ratio worldwide is considered to be 30% and India is lagging behind in it. The crucial link between human capital and economic progress implies that one looks at higher education more closely and how the opportunities for higher education be expanded. India wishes to be the next superpower but it is not being at par with the standards of the nations amongst whom India wishes to stand with. Developed countries worldwide possess higher GER with USA having 80% GER, UK has 54%. Japan has 49% . Several

developing countries also recorded a GER higher than 25%. Philippines at 31% and Malaysia at 27% are two such examples. (source: Planning Commission, Eleventh Plan)

In many developing countries, including India, education in general, and higher education in particular, is predominantly in the public sector, though the trend is fast changing. Various types of institutions that impart Higher Education in India are : Universities under the Government, Private Universities, Deemed Universities (Aided), Deemed Universities (Unaided), Colleges under Government, Private Colleges (Aided), Private Colleges (Unaided), Distance Learning, Non-University Sector (Polytechnics and Industrial Training Institutes) and Foreign Institutions. Among these, it is observed that the growth trend for private institutions of higher education is increasing. Here in this paper is an attempt made by the authors to understand the critical areas which are likely to be affected due to corporatisation.

2. CORPORATISATION OF HIGHER EDUCATION

Corporatisation is a process of making a State body into an independent commercial company. We do find that many countries have initiated in corporatizing in various sectors such as energy, public transport, telecommunications, airports, even prisons, and more recently, institutions of higher education. Corporatisation is often seen as the first stage in the process of privatisation where the ownership of a former State body is transferred to private individuals and institutional investors generally through the floating of shares available to the public and subsequent listing on a stock exchange. These privately owned corporations then operate in a market place under normal commercial conditions and are in position of returning a dividend and appreciate in the value of its shares.

The move towards the corporatisation of higher education assumes universities as being similar to large business organisations and therefore being capable of being run as businesses. For instance, Ford Motors entered a partnership with Ohio State University on the assumption that the mission(s) of the Universities and corporations are not different (Bill, 1996). In Asian countries such as Japan, Philippines and Korea, there is a tradition of private Universities and in some of these countries; Universities are listed on the stock exchange. New private universities are being established in the U.K, Australia, North America, Latin America, Central and Eastern Europe even China and Vietnam. University of Phoenix is described as a 'Global Education Company'.

Leaders of academic institutions in Australia and New Zealand have stated that they are already in the grip of the market system. Such Universities/ institutions of higher education are expected to raise a greater proportion of revenue on their own. They are expected to acquire and hold investment portfolios, encourage partnerships with private business firms. Such Universities have to compete with other Universities in the production of courses as well as marketing of courses to the students where the students are now seen as customers. The intellectual work of the Universities is now a matter of goods being cost effectively manufactured on a production line. The demand of the students is of sole importance to them as they become market driven Universities. Such commodification of higher education aim at serving the market is also revolutionising the entire educational management practice as these Universities follow a supplier/customer model of educational relationship. The higher education with this gets recast as a service industry for the capitalist enterprise.

The question that needs to be addressed is whether this new trend of corporatisation of higher education is denting the capacity of the traditional Universities to meet its obligation to the individual, to disciplines study and to the community at large? And whether the emergence of such non-traditional institutions and wider learning needs provides opportunities, which needs to be explored?

3. THE LIKELY SCENARIO

The higher education scenario is likely to manifest certain changes in the event of corporatisation of higher education. The transformation observed in its different aspects, will occur as business practices dominate. Some of critical areas likely to be affected such as curriculum, research and management are discussed below:

Curriculum and Courses:

A considerable impact on academics will be observed. Knowledge becomes information, a commodity to be manufactured, packaged, bought and sold. Debates on University curriculum are taking place and often commercial interests are at odds with the university curriculum (Aronowitz and Giroux, 2000). Professional courses which are demanded by industry are likely to be encouraged as the university is seen as producing a product that can be 'consumed',

at the same time the general education is likely to be neglected. In the west where Universities have been corporatized, many classics department have been eliminated. Universities are struggling to prevent the liberal arts curricula from being swamped by technology and science (Greenspan, 1999). The demise of classics is not restricted to humanities as it is also occurring in the classical science discipline of Chemistry, Physics and Mathematics. Here the pure is giving way to the applied (Bostock, 1999).

In the global era, the corporate Universities have to compete internationally which results in curriculum changes to cater to the needs of global students. Corporate Universities will enjoy more autonomy and will be able to offer English as a language of instruction to attract international students, have alliance with overseas universities and introduce innovations etc. They recognise the fact that the students have options before them in team of various courses being offered by foreign Universities. The curriculum thus has to be adjusted to the global needs, hence curriculum based on indigenous knowledge and technology, local values and local needs becomes less viable which may further inhibit development in those fields. Interestingly it is not very clear whether always the students demand is considered while offering courses or designing the curriculum. In a study by Blumenstyk, 1999, it was unclear whether corporate universities are genuinely responding to a demand by students for new forms of higher education or whether they were speculating and assuming that such demand would emerge as an inevitable consequences of changes to the economy. Many of such courses offered may be doubtful because their main motivation is profit.

Research:

Along with the curriculum, a transformation is also seen in research. Once it is conceded that knowledge is a commodity to be traded, Universities become subject to the full and ruthless protocols of the market (and why not?). Intellectual rigour and time-honoured principles of truth gets rapidly superseded by cost effectiveness and utility as market rules gets systematically applied. Thus, research may be affected strikingly. Research is seen as good only if it creates new products. For profit, market driven research is likely to be promoted. University managements are remaking their institutions to operate businesses with little concerns for the public interest. A corporatized University will not particularly like to fund research which is of general good for the society. There may be exceptions but, by and large, its not going to want to fund basic research which may be public good that anybody can use 10 or 20 years for now. On the contrary, it would fund research, which is profitable and can be completed in a short term. Also there will be an emphasis on maintaining secrecy of the research results. In the study of corporate Universities Slaughter and Leslie (1997) found evidence that, neglect of basic research was occurring and confidentiality and secrecy of research result was a common by-product. In fact secrecy was often made a collaboration with industry (Slaughter and Leslie,1997). This trend will ultimately lead to decrease in generation of new knowledge.

Management:

Many of the consequences of corporatisation are seen in changes in the styles and outcomes of University administration. Though always regarded as important, the University administrator was always considered as essentially a detached figure whose role was to uphold standards of probity in such matters as appointment, examination and the handling of money. In the corporate university, administrators are expected to behave as would the executives in any other large commercial enterprise except that the stakeholders are now the whole of society. As Porter (1990) stated 'education and training constitute perhaps the single long term leverage point available to all levels of government in upgrading industry' and this statement has become imperative of the administration of corporatized universities.

The management now recognises the increasing importance of students as stakeholders. The manager is replacing the professor as the central figure of the University. This indicates an excessive growth in spending on administration than on instruction. The focus is to search for market for higher education. The corporate Universities, the global education companies look for newer markets abroad which usually is the market of less developed countries. Corporatisation of higher education may also lead to the change in the style of administration. There will be a decline of collegiality, a form of sharing responsibility between the academicians in the University. A sense of competition between the universities will increase as they confront each other in the market. This will replace the earlier paradigm of community of scholars in common pursuit of learning.

Again, under this new regime of corporatisation, the educators are treated just as the other skilled employees are treated in the industry, they also confront the harsh realities of commodity production: speed up, routinisation of work, greater work discipline and managerial supervision, reduced autonomy, job insecurity, employer appropriation of the fruits of their labour and above all, the insistent managerial pressures to reduce labour costs in order to turn a profit. Thus, the commoditisation of instruction leads invariably to the 'deprofessionalisation' of the professoriate.

Academics who pride themselves on their careful use of language and ideas may also be seen falling for the slogans just as trumped up by bankers and purveyors of hamburgers. Obligated to sell their image and position themselves in a competitive market, universities tend to adopt 'branding' strategies developed in business schools to sell the image of companies, with a jargon of 'mission' (divine calling) and 'excellence' (quality control and profit). While such idiom retain a sense of grand endeavour (to make over and change), it surrenders the idea of change to the market, with its compelling creed of efficiency, profit and transformative power. In the corporate \university's new mission, what gets taught or researched matters less than that it is excellently taught or researched, that is, that it satisfies market demand.

If academics also falls for the jargon of business, this pales against the extent to which the culture of business will colonise University system. University culture, while not without its problems, has tended to be intensely collegial and value-driven with decisions made by self-governing academics. This will change with the new model of corporatisation. In the new corporatist model, management has a 'vision' and uses this to 'lead', with academics cast as 'stakeholders'.

In the recent time of crisis, business has to prescribe a regime of rationalisation and mergers, by making production more cost effective and goods repackaged and aggressively marketed. Hence, staff is likely to be downsized, departments merged and 'goods' (i.e courses) repackaged. In the market the service work is rapidly being casualised, so there is a need for students to be equipped with 'mobile skills' which will enable them to move through a number of jobs in the course of a working career and courses that don't feed job skills may be seen as waste of time. So in corporate Universities the managers may prioritize 'core business' and eliminate 'peripheral' activities and thus funding may become an investment decision based on short term production goals.

4. CONCLUSION

Corporatisation is emerging trend in higher education. Corporatisation appears to be clunky and inelegant word for a nexus of approaches that threaten to redefine higher education and its commitment to the public good. In teaching and learning, it is the approach that considers students to be consumers or products rather than reflective skilled citizens and leaders. It considers education not the growth of wisdom or even knowledge but rather the delivery of information. It thereby also threatens the role of traditional universities. Like it or not, it is here to stay. Best practice model; for corporate universities needs to be identified and studied to address the issues that it raises.

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