



Article

Globalization, Global Political Economy and Technical and Vocational Education and Training: A Nexus

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Abstract

The paper explores the understanding of globalization, global political economy, and their relation with Technical and Vocational Education and Training (TVET) by utilizing the critical discourse analysis method as suggested by Fairclough. Several themes, such as globalization, global political economy, political ideology, national and international labor market, TVET policy, and curriculum for skill development are identified and tried to make connections among them. The findings indicate that globalization and global political economy influence the national economic policy and demand for and supply of labor-related policy. Nepal is a major labor-sending country for foreign employment. Supply of labor is directly related to TVET. TVET has been contributing to the preparation of basic- and mid-level human capital. It indicates the production of semi-skilled human resources for the low-paid international labor market. There are many other issues, including occupation risk, exploitation, working condition, and social and cultural relations in the context of the international labor market. Current TVET policy and curriculum are not sufficient to address these problems.

Keywords: TVET policy, internationalism, foreign employment, liberalization

Introduction

Globalization has been the most outstanding characteristic of the global economy. The end of the Cold War in 1990 provided a necessary political condition for the creation of a global economy. Economic, political, and technological developments are the driving forces behind economic globalization. National policies and domestic economies are the principal determinants of economic affairs. The functions of the global economy are determined by both markets and the policies of nations. Therefore, policies related to Technical and Vocational Education and Training (TVET) are not free

from the effects of globalization. The choice of the trained labor force has expanded from national to international. The TVET policy of 2007 aimed at preparing migrant workers for potential jobs (Ministry of Education, 2007). Challenges emerged due to the implications of globalization for TVET curriculum design, demand for and supply of skilled labor, and choices of skilled labor to work for the national and international market. The interaction between international political and economic forces produces a new field of study that is known as global political economy. Both political and economic

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analyses are required to understand the actual functioning and impact of the global economy on national policy, particularly related to TVET policy and labor market. It creates new challenges, for example, one of the objectives of national policy is to alleviate poverty through the development of skilled human resources for the country; however, at the same time, it requires to develop skills for global economic competitiveness. This paper, therefore, explores the understanding of globalization, global political economy, and their relation with TVET.

This paper is organized as follows: the following section discusses the data and methods adopted for this paper. After discussing globalization and political economy, the next section focuses on implications and challenges for TVET policy and outcomes due to changes in interdependence in the country. The final section of the paper incorporates concluding remarks.

Data and Methods

This review-based paper explores the implication of globalization and the global economy on national TVET policy and labor market. The paper is particularly based on the review of related documents published by international agencies and articles published in the international journals to understand globalization and political economy. Similarly, it reviews the TVET policy documents, including Council for Technical Education and Vocational Training Act, 1988; TVET Skill Development Policy 2007; Technical and Vocational Education and Training Policy, 2012; National Educational Policy, 2019; among others.

Arguments or logic to justify the implication of globalization and global political economy on TVET policy and labor market were collected from published documents by the governments, CTEVT, and international agencies.

The methodological perspective of critical discourse analysis, as suggested by Fairclough (1995, 2003) has been applied to understand complex social phenomena and context. Social research themes include globalization, global political economy, domestic policy particularly related to TVET, demand for skilled labor, national interest, international competitiveness, and choice of labor among others. Globalization and global economy influence national economy and domestic policy through economic variables and political ideology. After influencing the national economy, there will be changes in demand for and supply of services, production, input such as capital and labor. These changes demand a new policy related to TVET. Political ideology determines the economic policy of a country. For example, liberalization is an economic policy that encourages to introduction of new policy for outmigration for searching jobs and labor market. Therefore, identified research themes are interconnected and this concept is applied to describe the paper.

Global Economy

Global economy indicates the capacity of creating a better or cheaper product, improve the efficiency of a key process, access a new pool of resources, or serve a new market (Siebert, 2007). It expands and deepens economic theory as well as other scientific fields. The global economy not only focuses

on the exchange of capital, goods, and services across international borders but it is also a mechanism to bring about prosperity. The global economy encourages the growth of economic activities through effective global leadership, global mindset, and global entrepreneurship. Now, the global idea emerged in economic philosophy and a new stage of economics and world development. The world economy is becoming more global. The segmentation of markets is being reduced. Many catalysts are at work for globalization (Siebert, 2007).

In addition to this, the global economy indicates many fragmented economies integrated into one economy that is a mechanism to change the use of factors production, production level and trade. Rapid changes can be seen in the global economy. Barriers to the free flow of goods, services, and capital have been reduced. The volume of cross-border trade and investment has been growing more rapidly than the global output, indicating that national economies are becoming more closely integrated into a single, interdependent, global economic system (Hill and Jain, 2008). Declining trade and investment barriers and technological change are primary drivers toward greater globalization. The process of interaction and integration among people and the economies of different nations, results in social life is organized on a global scale (Keengwe et al, 2016). The move toward a global economy has been further strengthened by the widespread adoption of liberal economic policies by the countries including Nepal.

The process of economic integration has played an important role in fostering economic relations among nations across

the world. Economic cooperation with other nations is strategically important for the growth of the economy. International economic relations play an important role in the growth of the global economy. The level of global economic integration is now higher than before. It means globalization increases the size of the global economy.

In the globalized era, interdependence among the markets is increased; however, the global economy does not centralize the decision-making process. Decision-making process in the global economy has found a decentralized way (Heywood, 2011). Globalization and internationalization have different meaning. Internationalization describes the importance of international relations, cooperation on treaties alliances among nations; however, globalization specifies the global economic integration of national or regional economies into one global economy and focuses on the speed of economic integration. After having the concept and implications of the global economy, we need to discuss globalization.

Globalization

Globalization specifies a process or set of processes that highlight the dynamics of transformation or change (Heywood, 2011). It indicates an interconnected and interdependent world with free transfer of capital, goods, and services across national frontiers. It argues for the trend toward a more integrated global economic system. The globalization of the economy means reducing market segmentations and the increasing interdependence of regional or national markets (Steger, 2009). Resulting national markets are more dependent on each other. The process of globalization ensures the

integration of individual national economies with the global economy. Globalization is the process of making integration among economies across the globe in many aspects, including the movement of products, capital, labor, managerial techniques, views, ideas and culture, among others (Mussa, 2000).

Globalization increases the flow and interconnectedness of goods, information, things, people, trade, values, culture, and media (Keengwe et al, 2016). Therefore, globalization indicates a set of processes leading to the integration of economic, cultural, political, and social systems across geographical boundaries.

Due to increasing interdependency, every country in the world is affected by what happens in other countries. Changing in the level of import and export of goods and services in an economy, for example, the Chinese economy affects other nations. Production and trading of goods and services affect the business, consumers and government agencies, among others. Political events or political decisions, such as creating some barriers to another country, or playing the role in favor of another country also affects the global economy. The trade policies of countries that encourage or restrict the growth of exports and imports of goods and services have wide-ranging effects on other countries. International politics affect global economic activities. The intention of international politics creates positive and negative effects on the economies. The global economy increases the total production and consumption of goods and services and the standard of living of the people, and lowers the transaction costs and production costs and prices of goods and services (Siebert,

2007). Therefore, trade that includes imports and exports is the most important factor in the global economy. Exports and imports influence the gross domestic product, investment, and employment of the economy.

Global Politics and Political Ideology

The functioning of the world economy is determined by both markets and the policies of nation-states. Economic factors have an important role in determining the character of the global economy, at the same time; political factors are of equal, and perhaps greater, importance. Therefore, both political and economic analyses are required to understand the actual functioning and evolution of the global economy. Markets of goods, labor, and capital are increasingly interconnected across borders with important political implications. It is important to understand the dynamics shaping the global economy and global politics. Global politics indicates the politics at global level. There is no doubt that the global or worldwide dimension of the economy has, in recent years, become more significant.

The interaction of politics and economics produces a new subject for theoretical research and applied policy analysis. Cross-fertilization between politics and economic approaches produces different analytical frameworks. As deregulation and other reforms have reduced the role of the state in the economy, many believe that markets have become the most important mechanism determining both domestic and international economic and even political affairs.

Relationships and interactions between political and economic forces are found

at the national, international, and global levels. Global political economy can be seen as a marriage between political science and economics at the global level. Global political economy is concerned with the study of global problems and issues related to politics and the economy.

From the mainstream perspectives, global politics are realism and liberalism. Realism is a theory based on power politics. National interest is key to the realism theory of global politics. Realists believe that nations are necessarily self-seeking and global politics are designed in terms of what the nation can gain. Universal moral principles do not guide national behavior. International politics tries to answer how this policy affects the power of the nation (Heywood 2011). Liberal theories about interdependence are grounded in ideas about trade and economic relations. Nations can work together to maximize prosperity and minimize conflict.

Liberalism plays a dominant ideological role in shaping western political thought. It indicates western civilization (Heywood 2011). Liberal theories primarily are grounded in the ideas of trade and economic relations. The central theme of liberalism is balanced among competing interests. It is shown in the economic theory of market equilibrium. This concept applies in the global market as well. After the World War II, liberal ideas and theories had a considerable impact on the discipline of international relations because it adopts a market-based approach or neoliberalism. After the end of the cold war, liberalization gained momentum and is supported by a new wave of democratization in the 1990s. Washington Consensus prescribed a set of 10

economic policies, such as macroeconomic stabilization, economic opening concerning both trade and investment, and the expansion of market forces within the domestic economy accelerated liberalization and changed the rules of the global political economy (Saad-Filho, 2010).

The functions of nations have changed due to changes in the rules of global political economy. The market mechanism applies in the global market; however, politics is based on the national level. National politics can not handle global issues. The national government will not work under the globalization rules because globalization undermines state sovereignty; however, the national government can not keep their citizen away from globalization. To address this challenge, a new concept in global political economy is required to design with both: realism and liberalism characteristics.

A way to facilitate cooperation among nations is to establish international regimes. The central idea is 'cooperation'. Cooperation requires compromise and is possible when there is conflict. Cooperation is possible through international regimes and institutions (Mitchell, 2006). Regimes can be defined as sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors expectations converge in a given area of international relations. Liberal internationalism theory of politics seems to be fitted rightly in the present context. Liberal internationalism is the theory of politics based on cooperation between nations (Heywood, 2011). Internationalism agrees with realism that nations are rational-unitary actors. It is realized that anarchy leads to competition and conflict, but that problems can be

managed through international institutions. This reduces the fear that the nation is being exploited by other members of the regime and minimizes the chance of misunderstanding. The rationale of this theory is to focus on long-term benefits to the nations instead of short-term goals. By institutionalizing cooperation, regimes can reduce the cost of future agreements. By reducing the cost of reaching an agreement, regimes increase the likelihood of future cooperation. Liberal institutionalization norms provide a basis for cooperation and reform of the international system at large (Jahn, 2013). Integrating liberal norms into the legal and institutional structure of the international system can establish a new international regime as required. Liberal internationalism has built a positive approach to international organizations in order to practice the theory of neoliberal institutionalism.

There are some criticisms about the practices of liberal internationalism. Priorities were given to produce evidence only from the developed countries of the world, particularly the Europe. International organizations are requested to solve the problems of incomplete information, transaction costs, and other barriers to welfare improvement for their members. However, these organizations are bureaucracies and bureaucracies are distinctive social form that exercises authority in particular ways. They use their authority to both regulate and constitute the world (Barnett & Finnemore, 2004).

As discussed above, global economy, globalization, global politics, and political ideology are interconnected and determine much the national economic policy, flow of goods and services, of labor and capital, and the competitiveness of the country. All these

activities influence the demand for and supply of labor market in the country. Particularly low-income countries, like Nepal, supply the labor to relatively advanced countries. In low-income countries, such as Nepal, the lack of job opportunities at home and the potential for higher earnings abroad are the pushing factors for outmigration. Many migrants choose to migrate to seek improved economic opportunities (IOM, 2019). A report published by the National Planning Commission shows that a large number of Nepali migrant workers residing outside the country is spread over 125 countries (NPC, 2020). According to recent census data, a total of 2.2 million Nepalis are abroad (CBS, 2022). The population migrating out of Nepal is relatively young, which is around the age of 25-35 years. An analysis of the relationship between migration and TVET is therefore needed to enhance the role that TVET can play in mitigating the causes and tackling the effects of migration.

TVET Policy and Labor Market

Although a large number of young people are out-migrated to find jobs, most of the economic policy-related documents give high priority to generating employment. The general objective of the policy documents is to expand the supply of skilled and employable labor by increasing access to quality training programs, and by strengthening the TVET system in the country. TVET is treated as an instrument to increase the employment rate in the country (NPC, 2019). A critical examination of policy documents related to TVET shows that policies toward inclusive ethnic diversity generate income through the development of skills, empowering the excluded and marginalized community. For

example, the School Sector Reform Plan (SSRP) 2009-2015 gives policy directions to increase opportunities for TVET to the disadvantaged students through the development of various program delivery modalities (MOE, 2009). National Foundation for Indigenous Nationalities is working to provide employment-oriented skill development and entrepreneurship training for the promotion of traditional professions and to preserve and promote the unique culture of Adivasi Janajati (MOF, 2022). The government attaches high importance on vocational education and training because of the vital role it plays in the social and economic progress of the nation. Skill-based and vocational training is being carried out on cost sharing basis among federal, provincial, and local levels for the development of skilled and quality human resources to balance the supply and demand of human resources (MOF, 2022).

Policy documents, including the 15th Plan of Nepal recognize that TVET is a key instrument in maintaining and improving both enterprise and national competitiveness (NPC, 2019). The plan has mentioned supplying skilled labor in the international labor market to increase the remittances for the country because most of the unskilled labor is out-migrated to find a job in the international market. The curriculum has been designed and updated to meet the demand of labor market. It is not only on the supply of skilled human resources for the country, but also the skill tests of unemployed youths done. Similarly, the provision of skill tests on those returned from foreign employment indicates the impact of globalization.

The TVET policy of 2007 aimed at preparing migrant workers for potential jobs but the training and skill development programs designed by TVET institutions in Nepal did not match the skills required in the labor markets of destination countries.

Conclusion

The functioning of the world economy is determined by both markets and the policies of nation-states. Economic and technological forces shape the policies and interests of an individual nation and the political relations among nations. Nations cannot afford to ignore the effects of globalization or increasing integration and interdependence of national economies. Nations should make efforts to get benefits from the globalization and global economy. There is a strong connection between out-migration and globalization or the global economy.

TVET provides practical skills, attitudes, understanding, and knowledge relating to occupations in various sectors of economic and social life; however, the same curriculum of TVET may not work to develop the skills required for national and international labor markets. One of the challenges for TVET due to globalization is how to design for TVET curriculum for both markets. Indigenous knowledge systems may be more important for the country; however, they may not work outside the country. There are many other issues for example, health and well-being, risk and exploitation, and social relations that are connected with out-migration and TVET. Current policies related to TVET are not sufficient to address these issues.

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