

STATE, DEMOCRATIC FUNCTIONING OF ECONOMY AND EDUCATION

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Abstract: *The democratic state is an important feature of the market economy which exists and works as a real mixed economic system. The state democratically establishes the economic mechanisms of general operation, bringing together, on the basis of some uniform rules, the interested behavior of free competitive market actors. Under these circumstances, economic education becomes an essential component of economic culture, compatible with democratic and efficient functioning of the economy. Education must be a national priority, thus stimulating the development of democratic society and enhancing the human with its interests made aware in a free way.*

Keywords: *democracy, education, state*

JEL Classification: *E00, A20, I25*

1. Introduction

Epistemologically, we point out that the effective functioning of the economy involves its linking with the existence and the dynamics of democratic state. Hence the requirement for understanding the mechanism of the market economy as an expression of the real way of making economic activities, as they are translated into economic policy decisions and legal norms. This mechanism represents the interdependence of specific vectors of economic resources and social needs at all levels of aggregation.

Democratic economic operation takes account of the entire system of interests of owners followed on the short, medium and long term, systemically optimizing the socio-economic and ecological efficiency, based on scientific criteria of training, management and use of financial and economic resources.

In such circumstances the democratic state is an important feature of the market economy. The state establishes economic mechanisms democratically, bringing together interested behaviors of economic actors. If these interests should be allowed to manifest themselves completely unrestricted, this would trigger tensions and economic disarray.

Through its institutions, the state - particularly the government - influences both the economic goods market and the capital market. The economic goods market is influenced in two ways: the first aspect consists in purchasing economic goods produced by companies, which stimulate demand; the second aspect represents taxes which diminish request because taxes lead to reduced disposable income and reduced consumer spending.

Capital market is influenced by the state when it borrows to cover expenses, because expenses are greater than income or for redemption of government debt when tax revenues exceed expenditures.

Also, we must take into account the management system of taxes and fees (in 2015 there were over 300) to ensure the financing of useful and realistic socio-economic projects. Currently, we pay more to the state. Instead, the burden of taxes and fees has led to a hidden economy of about 28% of Romania's gross domestic product, 10% higher than the EU average.

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The way of working in public institutions and the inappropriate relationships with people is an important reason for the population to mistrust the state institutions, a state which wants to be democratic.

These issues may correlate with the fact that in 2015 there were about 100 institutions and control bodies, sometimes with overlapping responsibilities and deadlines. Therefore, we support like other specialists, the introduction, appropriate and effective of a single control body that encompasses all the current ones, being a highly effective model in Germany.

2. Democracy, state, education

Another tough state-democratic reality in Romania is represented by the minimization of actions in education. Education, research, innovation and institutional structures of elevated scientific knowledge society have not enjoyed the attention it deserves. It was used in economic communication language the expression of information society, then the knowledge society, eluding that human society has evolved ever since the appearance of man, based on knowledge. Of course, initially it was an empiric knowledge, unorganized, without an earlier special training. Subsequently, we went to systematic scientific knowledge, based on a special professional and cultural education, with the first industrial revolution in the world.

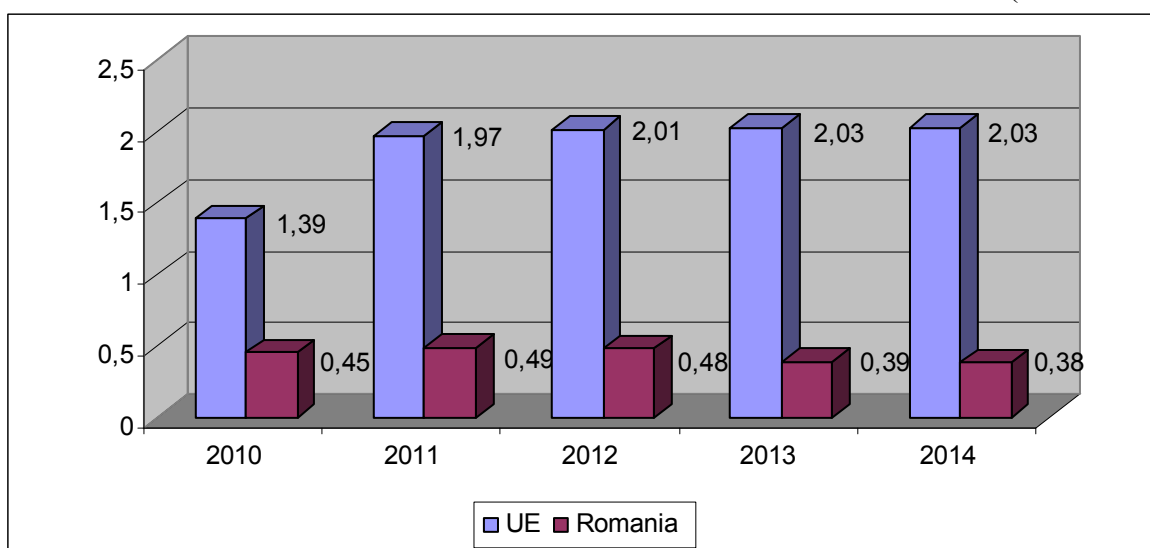
Today it is about a new leap in scientific knowledge to elevated and wise knowledge (not scientific discoveries for sophisticated weapons of mass destruction). This means the systematic and permanent assimilation of scientific novelties, of innovation, a priority for peaceful construction in all areas (nature, society, economy, culture, education, etc.).

Education harmonized with scientific research must be a national priority, as a coherent system, promoted as community monopoly, as a public good, regardless of ownership, thus stimulating the development of democratic society and highlighting the human with its interests, freely made aware.

In Romania, the costs of research development are significantly lower than the average European values. Values in the last five years are shown in the chart. 1.

Chart no. 1. Expenditure on research development

(% of GDP)



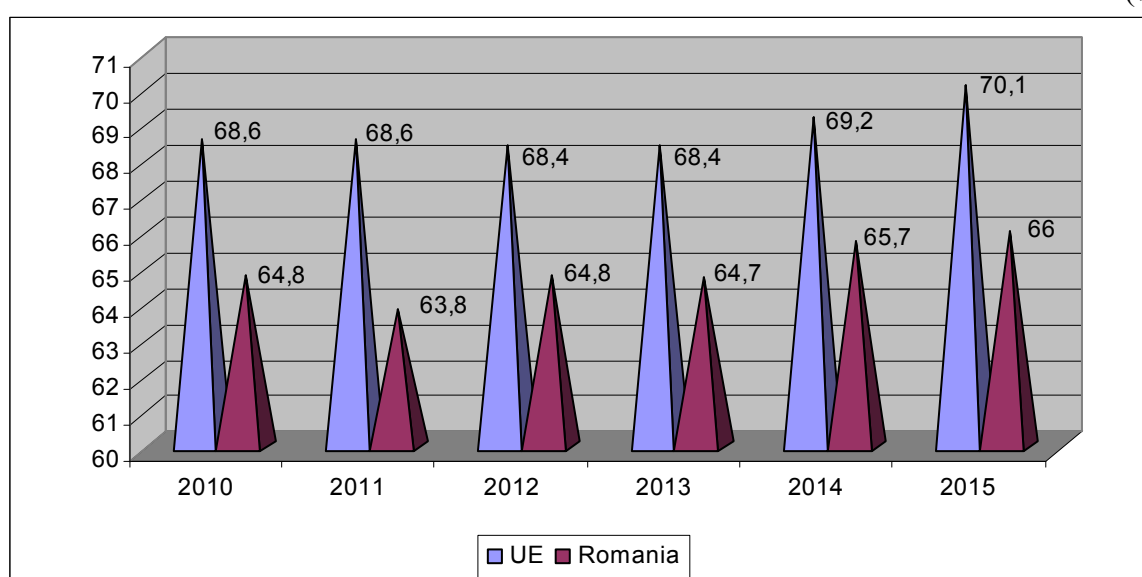
Source: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_20&plugin=1

Expenditure on research development in our country experienced a downward trend during 2010 - 2014. This represented 0.45% of GDP in 2010, rose to 0.49% of GDP in 2011, then decreased each year, reaching to 0.38% of GDP in 2014. At European level, expenditure on research development recorded an upward trend, being 1.39% of GDP in 2010 and 2.03% of GDP last year.

In these circumstances, the school, in all its structures must ensure training and education so that the process of optimal insertion of graduates on labor market to be improved. During their schooling they must acquire the necessary skills to quickly adapt to the first job requests for the studies they followed, and also complete integration and maintaining on a modern and flexible labor market. The labor market in Romania is in a continuous transformation, but it ranks low employment rate compared to those in Europe.

Chart no. 4. The employment rate

(%)



Source: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_10&plugin=1

Both in our country and in the European Union, the employment rate has seen an upward trend between 2010 - 2015. There were small oscillations in the examined range, but the employment rate increased in Romania from 64.8% in 2010 to 66% in 2015, while at the level of the European Union increased from 68.6% to 70.1%.

A further increase in the employment rate shows that there is a correlation between graduates' skills and labor market requirements. In this way, the school would fit the requirements of the XXIst century, and graduates of secondary school or university would be required and easily assimilated into the labor market. As schooling will improve, future specialists will realize better the relationship between effort, efficiency and personal and social interests, primarily in Romania.

Currently, economic education, starting from the individual becomes an essential component of economic culture, compatible with democratic and efficient functioning of the economy.

Economic culture generates major effects such as:

- Developing the capacity of elevated knowledge and proper understanding of financial and economic phenomena.
- Creating and permanent manifestation of a highly modern behavior;

- Fair perception and democratic acceptance of the role and obligations of everyone to society;
- Awareness of the organic relationship between freedom, discipline, responsibility, in order to not mistake democracy with disorder or chaos in the economy;
- Modernizing and civilizing the state, with its status as a political decision maker and also the citizen, in his capacity as contributor and beneficiary of the efficient functioning of the economy.

Economic culture is becoming increasingly important and necessary in a difficult period with a high global risk. Economic culture fosters national solidarity by raising awareness of the significance of integration and globalization of the world. It promotes optimal functioning of the economy, based on genuine, sustainable, economic growth, being found in a higher level of prosperity for the population.

3. Conclusions

In the spirit of deep democracy, the whole development of Romania's economy has and must have a specific social - human purpose reflected in the quality of life of the entire population. Currently, in Romania the building of a market economy is strongly influenced by the effects of the functioning of the global economy. Therefore, in the complex process of valorization of action it is aimed, if not always explicitly, the achievement of a new normality as an expression of a new economic world order.

The economic world is preparing for a new long economic cycle. The engines of the global economy will require new and larger resources, sophisticated new technologies and techniques, all making sure they have well trained and educated people but having needs widely replicated in terms of quantity, quality and structure.

The very purpose of social- human finality will be facing new challenges, asking the strengthening of human issues, as neofactor of economic development and the amplification of the positive effects that he wishes to feel in his complex biological and social life.

Man is both the premise of market economy development and its natural consequence. The quality of human life can be appreciated by means of complex matrices in which to include multiple variables with adequate socio - human dials regarding the size and dynamics of income distribution as a key vector. They incorporate concrete, tangible elements, such as property and income, as intangible cultural-spiritual elements, being found in a certain standard of economic welfare or economic poverty.

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