

PERSPECTIVES ON EDUCATION IN ROMANIA IN THE CONTEXT OF EUROPE 2020 STRATEGY

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Abstract:

Education is the most important pillar in the development of a society, because it forms the attitude of the members of society, their training and their ability to adapt effectively to the changes imposed by society. Studies on education show that those economies that have invested in education over the years have obtained the best results in the field of social and economic development. Therefore the EU 2020 strategy aims to create a knowledge-based society, where education is a central pillar. Among the indicators followed as strategic target to be achieved by 2020 there are early school leavers, which should be less than 10% and tertiary educational attainment, which must be at least 40% for the age group 30-34 years. Our paper analyses Romania's position in relation to the other European countries in terms of education and measures taken to improve education strategy with regard to meeting the Europe 2020 targets. Strengths and weaknesses of the Romanian education system are captured, especially in terms of higher education.

Keywords: education, Europe 2020 Strategy, Romania, educational strategy

JEL Classification: I21, I25, H52

1. Introduction

Education is the most important asset of a nation. It contributes to the development of the individual and of the society, and the economic growth and development. The world today is characterized by major changes in all areas, changes that create the need for permanent improvements and updates to the stock of knowledge. Thus, education is a basic component of the development of society, given the frequent and profound changes that are required by technical progress and the knowledge economy. The current economy requires well-trained workforce, which requires the development of skills, creativity, solid knowledge and increased responsibility. Education increases the chances for successful integration of individuals into the labour market, offering greater flexibility in work and the opportunity to respond more quickly to new requirements of the labour market. G. Becker, by the human capital theory argues that education and vocational training are the main source of future income. So, the more is invested in preparing an individual, the more he can earn more in the future. (Becker G.S., 1997)

Educational and informational gaps have become a source of instability at the national and even global level, and failures cannot be directed by "traditional recipes". (Crăciun L., 2012)

Rising unemployment in some countries amid the current financial and economic crisis has increased the attention paid to education and investment in people for the next period. Countries that have got over the crisis more easily and have had good results in unemployment have applied active policies particularly in the field of labour and have invested in education and training. Thus, at EU level, concerns for the development of educational policies and strategies are multiple, one of the most important being *Europe 2020 strategy*.

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Our paper analyses Romania's position in the European countries in terms of education and of the prospect of achieving the objectives of *Europe 2020*, in terms of education.

Analysing the statistical data on the size of unemployment in Romania, we can observe some imbalances of the labour market in Romania related to the poor correlation of educational programmes with labour market requirements, increasing youth unemployment and low labour efficiency in certain sectors. Even if these imbalances are not very large and have not lead to major increases in unemployment in our country, the present situation leads us to believe that in coming years the number of unemployed will not be reduced if sustainable measures to reduce unemployment are not adopted and if occupational policies do not correlate with the educational ones. (Savu M., Teselios D., 2014)

Therefore, *Europe 2020* strategy plays an important role for the policies and strategies adopted by Romania in educational, occupational, social and energetic field, based on three ways of securing sustainable economic growth: smart economic growth, which involves developing an economy based on knowledge and innovation; sustainable economic growth, by promoting a competitive economy, with low carbon emissions and efficient use of resources and inclusive economic growth, which includes promoting an economy with high level of employment, generating social and territorial cohesion. (EC, 2010)

2. Romania and the EU: common objectives and actions

The globalization of trade and production, the huge impact of new technologies on work, society and individuals, aging population and persistent high unemployment rates put additional pressure on the economic and social structures of EU states. Under these circumstances it is considered necessary to develop and preserve the European social model (European Commission, 1994). Most documents issued by European bodies refer to the European social model that combines objectives such as economic convergence and multidimensional cohesion (cultural, social, etc.) (Marinescu et.al, 2012). At EU level, there is no single European social model, but several variations of it, but there is a *common strategy* that shows that we need a more competitive economy without ignoring the social and environmental policy in our efforts for modernization (JC. Juncker quoted in Werner, 2006). The economic competition is amplified by globalization, which prints the European social model the character of tool for building a *common European identity* against the threats of other states.

The European Union projects fundamental directions of economic and social development of the Member States based on the documents of the European Commission and Council. Among these, the Lisbon Agenda 2010 included targets to achieve during 2000-2010 in the economic and social field, across the European Union. The objectives of the Agenda were continued with the 2020 Strategy, whose objectives are the same. Romania's entry into the European Union imposed its policy harmonization with the European ones in all areas in accordance with the common targets set out in these documents: Sustainable Development Strategy of the European Union, the Lisbon Strategy, Europe 2020, etc., as well as methodological guidelines of the European Commission.

However, the objectives and lines of action have been revised over time, renewed, supplemented which has caused some difficulty, especially for some countries, to orient and adapt on the fly to the new recommendations from Brussels.

For example, the Lisbon Strategy was adopted in March 2000 and renewed by the European Council in Brussels on 22 to 23 March 2005. In 2008, during the economic crisis the *European Economic Recovery Programme* was adopted including measures applicable at the national level in the short term to exit the crisis. Under these circumstances, in 2009 Lisbon Strategy was reviewed and specific recommendations for the Member States in accordance with the European Economic Recovery Plan were formulated. In 2010, 2020 Strategy accepts that the global impact of the financial crisis has shown that *economic*

realities are moving faster than political ones, recognizing partially the limits of the coordination process at Community level, appreciating that advancing on the same road would make the European Union to be the second-largest global order (European Commission, 2010; 2020 Strategy). It is believed that the solution to this deadlock is to confront collectively the immediate challenges posed by recovery and long-term challenges (globalization, pressure on resources, aging).

Evaluations on *Lisbon Strategy* (which aimed to make Europe the most dynamic and competitive knowledge-based economy, providing sustainable growth, more and better jobs and creating greater social cohesion) have identified some obstacles to successfully meet the objectives of this strategy: the large number of targets, poor monitoring of Member States, weak correlation between the objectives of the Lisbon Agenda and those concerning economic convergence etc. *Strategy 2020* was not less ambitious about the goals that it proposes concerning the economic and social development of the European Union for the next ten years, the social aspects being considered essential in the process of economic growth (in the European social model perspective) (IER, 2010). Europe 2020 Strategy aims to transform The European Union into a smart sustainable economy.

Employment, unemployment, labour productivity and income become the focus of the concerns. The situation tends to be somewhat more difficult considering the numerical evolution of the workforce and an aging population. In this context, a significant change in European Union social policy is due to the introduction of the *open method of coordination*. After introducing this method in European policies regarding the labour market (Luxembourg Process), this was extended to the social policy as part of the Lisbon Strategy in 2000. Instead of minimum standards for all members, by means of directives, this policy encourages a process of mutual learning across national borders according to common guidelines (Werner, 2006). Europe 2020 Strategy also recognizes the importance of convergence in terms of key regulatory issues, and the adoption of common rules and standards so as to be consistent and convergent with the proposed objectives. At national level, Member States pursue the objectives proposed in the programme by the National Reform Programmes.

Romania developed and implemented the National Reform Programme but little has been achieved, being still necessary *tackling macroeconomic and fiscal imbalances that jeopardize the sustainability of the economic growth path in the medium and long term. At the same time, as its advantages in terms of costs fade, Romania should speed up structural reforms to make the transition from an economy based on advantages in terms of costs to an economy based on productivity, innovation and knowledge, exploiting new sources of growth.* (European Council, 2009)

3. Europe 2020 Strategy

Europe 2020 Strategy on the one hand prioritises a socially inclusive growth by promoting an economy with a high rate of employment and, on the other hand, a smart growth, based on the development of knowledge based economy. Regarding these two priorities, the strategy aims to improve the employment rate of the workforce as well as improving the participation to education and increase the number of people with tertiary education. The targets for these objectives are: achieving an employment rate of 75% by 2020, reducing up to 10% the rate of early school leaving and a minimum of 40% in the share of people with tertiary education for the age group of 30-34 years old. These targets were adjusted for each country based on the possibilities to achieve those targets. For Romania were set the targets of 70% in terms of employment rate, 11.3% the rate of early school leavers and 26.7% the share of people with tertiary level education for people aged between 30-34 years old.

Romania's situation on the main objectives of the Europe 2020 Strategy which relate to education are presented in Table. 1.

It is important to know Romania's position currently in relation to targets to be achieved in 2020 to identify the most important gaps and to develop measures and remedies to reduce these gaps.

Table 1: The objectives of the Europe 2020 Strategy for Romania

Indicator	EU 27 objectives (Europe 2020 Strategy)	Objectives Romania	The current situation and progress registered in Romania	
			2010	2013
Employment rate of population aged 20-64 years old	75%	70%	63.3%	63,9%
Investment in research and development (% of GDP)	3%	2%	0,47%	0,49%
Early school leaving (%)	10%	11,3%	18,4%	16,9%
The rate of population aged 30-34 years old graduate of a form of tertiary education	40%	26,7%	18,1%	23,2%
Reduction of population at risk of poverty or social exclusion (number of persons)	20.000.000	-580.000 (compared to 2008)	- 466.000 persons	- 164.000 persons (in 2012), 2013-n.a.

Source: National Reform Programme, 2014 & European Commission, Eurostat, http://ec.europa.eu/europe2020/pdf/csr2014/nrp2014_romania_ro.pdf

According to the data in Table 1, Romania has made some progress in the recent years, but it is reduced.

Regarding employment rate of population aged 20-64 years old, it increased slightly in 2010-2013, with only 0.6 pp.

The same trend was registered in the EU, mainly due to the economic and financial crisis that led to the decline in employment, by restricting certain activities and the closure of some firms (figure 1).

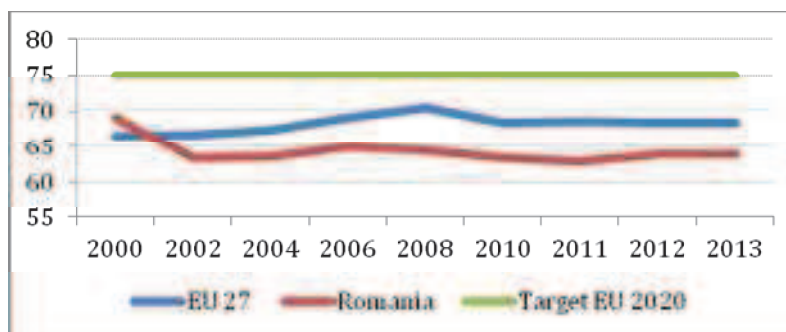


Figure 1. Employment rate (%), age group 20-64

Source: Eurostat, 2014, Europa 2020 Indicators, <http://epp.eurostat.ec.europa.eu/>

This situation makes European countries to move away from the Europe 2020 target to achieve a 75% occupancy rate. Of course, results vary from one economy to another and even strategic targets are different depending on the level of development of the economies and their ability to cope with such objectives.

The share of research and development investment in GDP in Romania grew very little only 0.2 percentage points in the period analysed, which shows the same gap compared to the objectives of the 2020 Strategy.

However, early school leaving in Romania reduced, but the values of this indicator

are still among the highest in Europe. From this viewpoint discrepancies are recorded between leaving school by gender and area of residence, with a higher rate of early school leavers in rural areas and among boys.

If we look at Romania's position compared with the EU, in terms of this indicator (figure 2), we notice that Romania recorded fluctuating values during 2000-2013, which have moved away from the EU average in recent years (12%). Romania recorded a decreasing trend in the period 2002-2009, but after this period, early school leaving rate increased to 18.4%, mainly as a result of the crisis. In recent years there was a slight decrease in this indicator, which reached the level of 17.3% in 2013. Among the EU member states, the best results from this point of view were registered by Croatia, with a rate of 4.5% for this indicator in 2013, while Spain had the highest rate of early school leaving, of 23.6% in 2013.

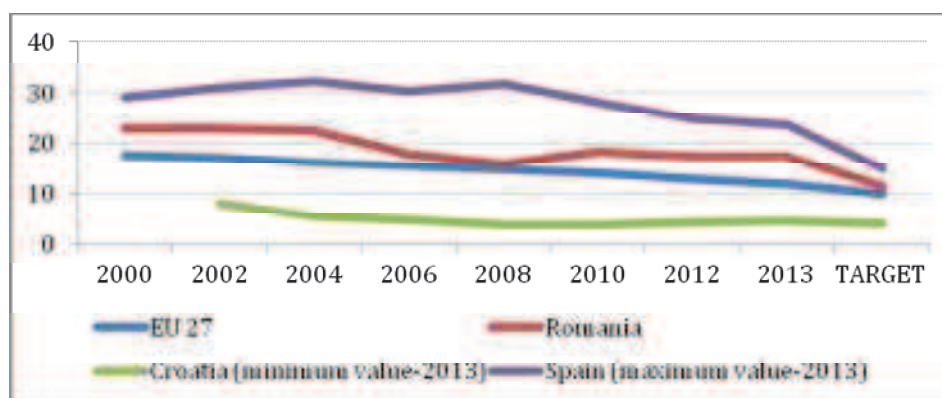


Figure 2. Early leavers from education and training
(% of the population aged 18-24 with at most lower secondary education and not in further education or training)

Source: Eurostat, 2014, Europa 2020 Indicators, <http://epp.eurostat.ec.europa.eu/>

The share of population aged 30-34 with tertiary education level increased continuously in Romania, reaching from 16% in 2008 to 22.8% in 2013, even if this indicator records differences by area of residence and gender. Better results are recorded in urban areas and among girls.

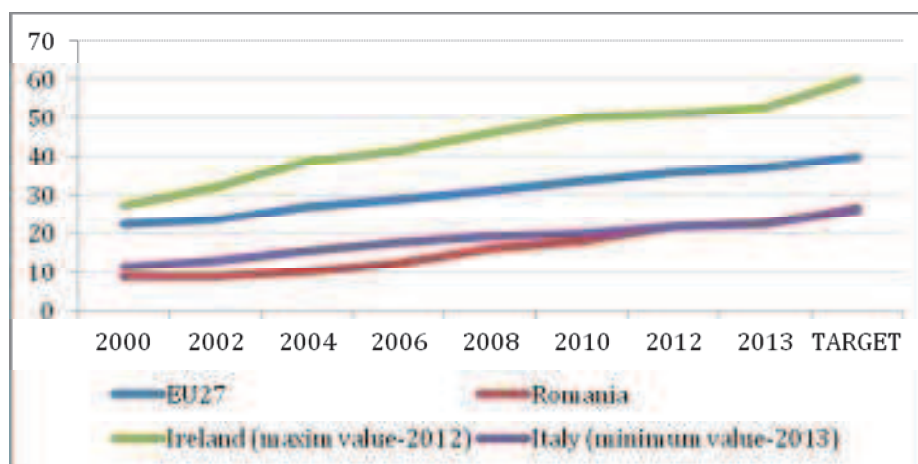


Figure 3. Tertiary educational attainment (age group 30-34)

Source: Eurostat, 2014, Europa 2020 Indicators, <http://epp.eurostat.ec.europa.eu/>

And at EU level, participation in tertiary education knew an upward trend, the strongest growth was recorded in Ireland, and the lowest in Italy and Romania. Compared to the EU average recorded in 2013, Romania recorded a difference of 14.2 percentage points (Figure 3).

According to Eurostat, the risk of poverty rate after social transfers in 2012 was of 22.6%, while there was a reduction in the number of poor people by 164,000 compared to 2008. To reduce the number of poor people were given special allowances to support these people and their families.

Therefore, Romania's position on Europe 2020 objectives, particularly with regard to education, shows us that although there have been some improvements, efforts to finding ways of achieving these objectives should be continued and even amplified because Romania has to recover an important gap towards the EU, a gap enhanced by the current financial and economic crisis.

In order to achieve Europe 2020 objectives, Romania must take measures aimed at educational and employment policies in the current macroeconomic and European context. Thus, it is needed better functioning of the labour market, better participation in continuous education and vocational training, a better match between educational programmes and labour market requirements, better cooperation between schools, research and business, as well as stronger policies to promote job creation and labour demand.

5. Beyond Europe 2020

Even if the link between education and economic development is recognized in theory, priority given to this relationship was sometimes neglected, a situation determined by the specific conditions in each country. Romania has undergone major changes in recent decades in terms of the education system reflected in its structure, goals and organization. The low level of progress was influenced by the inconsistency in the application of reform measures and economic difficulties that prevented the state, the main supplier of investment in education, to fulfil its purpose, that of improving the quality of education and increase the access to education.

The educational public policy and of the labour market have recorded various developments in the European Union. Member states aimed at increasing investment in education as a key solution to prevent poverty and social exclusion in the long run (Staneff, 2013). From this point of view an important role is played by *public spending on education policies and labour market, as a percentage of GDP*.

Although they are on a downward trend in most EU states since 2005, public spending on labour market rose in all states in 2009 and continued to grow in 2010 in most Member States. In Romania public expenditure policies of the labour market were below 1% of GDP in 2005-2010. In 2008-2009, Romania recorded the lowest level of these expenses as a percentage of GDP in the European Union. In 2010, Romania exceeded Malta and Bulgaria, with a level of spending of 0.61% of GDP. This level represents approximately 3.5% of the EU average, while in 2011 these costs were halved compared to the previous year, ranking last in EU. In 2012, Romania maintains its last position on this indicator, with only 0.29% of GDP.

Regarding *public expenditure on education* as a share of GDP according to Eurostat, Romania still occupies the last position, with a value of the indicator of 3.07% of GDP in 2011. (figure 4) The EU average value is 5.25% and the highest value of this indicator registers Denmark with 8.75% of GDP. Moreover, the Nordic countries are known for massive investments in education and the adoption of active labour market policies.

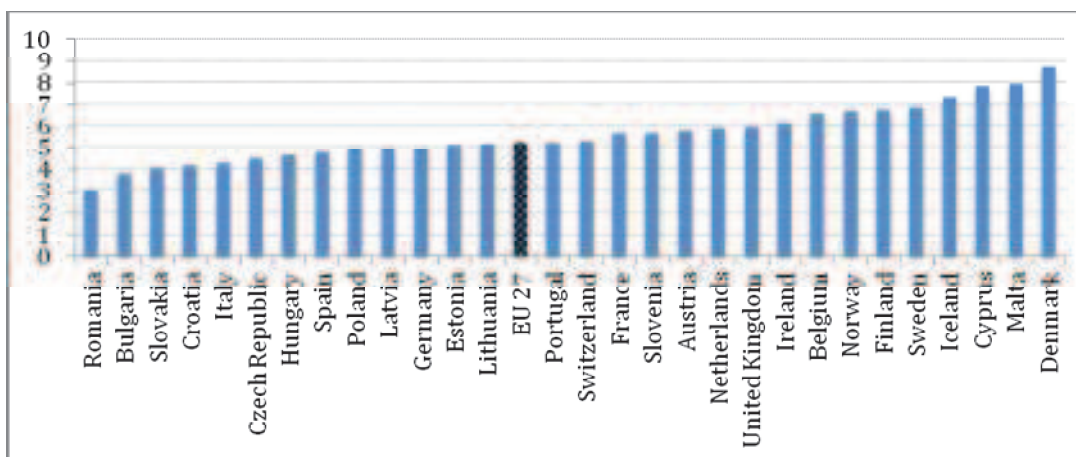


Figure 4. Public expenditure on education (% of GDP) – 2011

Source:

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/dataset?p_product_code=TSDSC510

Taking this into consideration these comparisons, decision makers in Romania need to understand that Romania cannot have positive long term results without making significant investments in education.

Education is important to society because the more people are educated, the more innovation-research can develop and progress is sustained in that society. Education is important also because educated people will be able to better adapt to market demands and the needs of a knowledge society. However, factors that influence an individual's decision to continue or not studies are numerous and related to the individual's skills, which directly influence the duration of studies, family background, family financial situation of the individual, quality of life and level of development of the society. (Mosora M. H., 2013)

Therefore economic policies should target measures to create the conditions to increase participation in education. Studies of the role of education increasingly highlight the positive link between investment in human capital and economic growth, *education* is considered the slowest, but also the most powerful factor of economic growth.

6. Conclusions

Romania's long-term development in line with Europe 2020 goals requires continuing efforts to reduce the disparity with the highly developed countries of the European Union.

To successfully implement the Europe 2020 strategy, both in terms of education as well as the other objectives of the Europe 2020 strategy, Romania must reconcile national policies with the objectives of the Europe 2020 strategy, coordinate national reform programmes with national programmes of convergence and to continuously monitor the progress made and blocks that occur over time.

In order to meet the objectives regarding education efforts to implement the Europe 2020 strategy in Romania should include actions such as:

- major investments in education systems and training systems at all levels,
- facilitating the employment of young people through integrated actions that include guidance and counselling;
- facilitating the employment mobility;
- ensuring the acquisition of competences necessary for further learning and labour market integration
- developing the partnerships between education and business.

In conclusion, we can say that the answer to the current challenges of the economic crisis and globalization, the rise in unemployment and an aging population must target the

coordination of the economic and social policies at the national level with those at community level, but taking into account the specific conditions of our country and its possibilities of adaptation and evolution on the trajectory indicated by the recommendations of the European bodies.

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