

EFFICIENCY OF PUBLIC SPENDING FOR EDUCATION WITHIN THE EUROPEAN UNION IN THE CONTEXT OF THE STRATEGIC FRAMEWORK "EDUCATION AND TRAINING 2020"

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Abstract:

Education is universally recognized as one of the foundations of human development and one of the most powerful tools that a society has for poverty reduction, sustainable development in the long term.

The world we live in today can be defined as a global arena, a planet increasingly crowded, faced with a real problem - population growth and thus increasing the number of young people, which means educational systems and to able to support them and to answer their needs. Educational policies should reflect the responsibility of building a world based on a more on mutual support. Marginalization, exclusion, ignorance of the rules of democracy and lack of education are factors that may cause the gap between a minority of people are able to find a path to success and a majority that feels manipulated events. Providing everyone access to knowledge, education has the task of helping people understand the world and to understand others.

In the context of the Europe 2020 strategy makes in education provides a new strategic framework for European cooperation in education and training, created from his predecessor's work program "Education and Training 2010", "Education and Training 2020". This paper aims to highlight the strategic objectives for the Member States, the implementation of these, and a number of statistics on the efficiency of public spending on education in the European Union.

Keywords: public expenditure, education, efficiency, strategic framework

JEL Classification: I2, H1, H6.

1. Introduction

Spending for education is one of the most important categories of public expenditure. Overall development of learning is done in accordance with the requirements of the different stages of economic and social development and the training and education of equalizing conditions of all members of society. Education is called to contribute to the extent of increasingly higher in overall progress of society.

Spending for education is a paramount feature policy makers and State authorities, as this category of expenditure is an investment for any company extremely important in the medium and long term in this factor of production, the labor. This is an advance of gross national product, as budgetary resources used for education is not consumed completely, but are included in the training of members of society. Intellectual investments have some specific features, namely producing qualified teachers with a range of knowledge that give high productivity; intellectual investments are long-term, lasting 10 to 18 years; have long lasting effects throughout their working lives; not subject to obsolescence as they can be adapted continuously to the requirements of economy, science, technology, culture; education shall give the necessary flexibility to adapt to new requirements of economic standing and culture through specialization, retraining, recycling; intellectual investments have multiple effects have economic-social, human, and are far more difficult to quantify compared to physical investment. These public expenditure alive transposing the constitutional right to education and facilitates fulfilling the educational ideal as it presented the National Education Law 1/2011 "educational ideal is the free, full and harmonious development of human individuality, personality formation

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and autonomous the assumption of a value system that are necessary for personal fulfillment and development, entrepreneurship development, citizens' active participation in society, social inclusion and employability."

3. Criteria for evaluating the effectiveness of public expenditure programs

The need to evaluate public programs, and consequently those of education, imposed identification tools that can highlight their effectiveness.

Performance of a public project can be assessed in terms of the relationship between the expected effects and the effort to achieve them. In this respect, the performance indicators used in most OECD countries on program evaluation policy refers to economic measures, efficiency measures, measures of effectiveness, measures of service quality, financial performance measures.

Efficiency of public expenditure expressed an optimum size of a proportional basis between financial efforts and public financial resources consumption and effects measurable or estimated on account of the objectives funded states.

With the public needs require elevated public goods and state resources do not increase as fast rhythm it creates a gap that leads to a permanent state of low resources.

Assessing the effectiveness of public expenditure is for the policy makers and of the executive.

During the process of utilization of funds allocated solutions can be found to minimize the cost of investment and current expenditure on public services. Effectiveness of spending is done in terms of social optimum when the following conditions are met: it is possible to choose the least costly alternative in relation to the outcome of the public service; modernization of public service production to maximize the utility of the consumer; consumer utility maximization in economic terms based on the price paid and the lowest cost in use; power projection in a fixed time horizon.

Corroborating these matters: cost minimization objectives financed, resulting in minimum social cost (less tax); affordable prices paid by consumers; increasing the quality of public goods consumption, so the public consumer satisfaction.

The limited public financial resources makes the problem use will be crucial. In analyzing the economic efficiency of expenditure shall be set and indicators of actual use or post calculus using the same methods. With these indicators compare predictions and results in prior periods with the periods for which the analysis is performed, identifying the causes and results of the measures required to improve these results.

3. Strategic framework for education and training in the European Union

The European politicians have recognized the essential nature of education and training to foster the development of the knowledge society and the current economy. EU strategy is based on the need for collaboration between Member States in order to achieve mutual benefits.

Education and training policies in the European Union gained momentum after the adoption of the Lisbon Strategy (2000), a comprehensive program aimed at transforming the EU into the most competitive and dynamic economy. The strategy recognized that indeed knowledge and innovation as a result of its most valuable assets are the European Union, especially in the context of global competition intensified.

After 10 years adopted Europe 2020, this is the EU's growth strategy for the next decade. In a rapidly changing world, the EU wants to become a smart, sustainable and inclusive growth. These three priorities are mutually reinforcing and are able to help the EU and its Member States to achieve a high level of labor employment, productivity and social cohesion.

In practice, the Union has set five major objectives - on employment, innovation, education, social inclusion and environmental / energy - to be reached by 2020 Member States have adopted their own national targets in these areas. Various actions at European and national level in support of the strategy.

In the field of education "Education and Training 2020" (ET 2020) is a new strategic framework for European cooperation in education and training, created from his predecessor's work program "Education and Training 2010" (ET 2010). This framework provides common strategic objectives for Member States, including a set of principles to achieve these objectives and working methods common areas for each work cycle periodically.

The main purpose of the framework is to support Member States in the further development of their education and training. These systems should provide all citizens the means to achieve their potential and to ensure sustainable economic prosperity and employability. Framework should take into account the whole spectrum of education and training systems from the perspective of lifelong learning, covering all levels and contexts (including non-formal and informal education).

They established four strategic objectives of the framework:

- implement the lifelong learning and mobility;
- improving the quality and efficiency of education and training;
- promoting equity, social cohesion and active citizenship;
- creativity and innovation, including entrepreneurship, at all levels of education and training.

In order to have efficient and flexible ways of working for European cooperation in education and training, the framework provides a number of work cycles by 2020 for each cycle adopted several priority areas, based on the above strategic objectives: achieving in practice lifelong learning and mobility, improving the quality and efficiency of education and training, promoting equity, social cohesion and active citizenship, fostering innovation and creativity, including entrepreneurship, at all levels of education and training ,

To measure progress in achieving these goals, they are accompanied by indicators and European benchmarks:

1. Adult participation in learning throughout life. In order to increase adult participation in learning throughout life, especially those with a low level of qualification is intended that by 2020, an average of at least 15% of adults should participate in learning programs de- of the lifelong

2. Low achievers in basic skills. To ensure that all students reach an adequate level of basic skills, especially reading, mathematics and science: - by 2020, the proportion of people aged 15 years with low reading skills, mathematics and science should be less than 15%.

3. Attendance tertiary education. Given the growing demand for tertiary education graduates, and while acknowledging the equal importance of education and training by 2020, the proportion of 30-34 attending tertiary education should be at least 40%.

4. Early school leavers from education and training

As a contribution to ensuring that a maximum number of students complete their education and training is intended that by 2020, the proportion of early school leavers from education and training should be less than 10%.

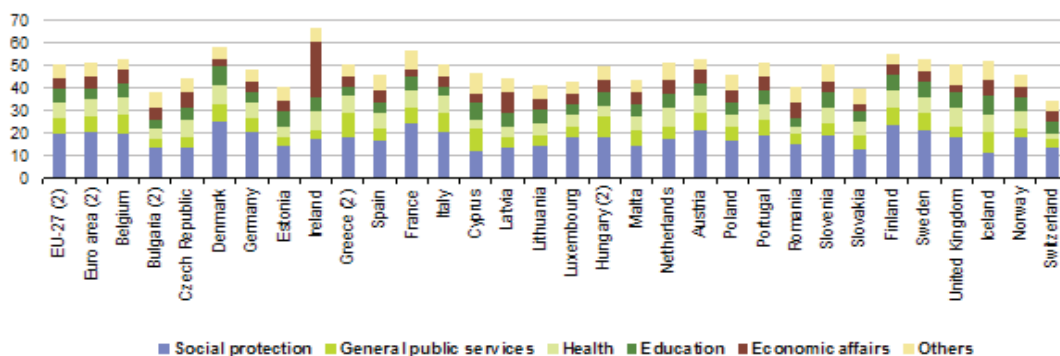
5. Pre-school education. To increase participation in early childhood education as a basis for later educational success, especially those from disadvantaged backgrounds program aims that by 2020 at least 95% of children aged 4 years and the age for starting compulsory primary to benefit from preschool education.

Other areas of importance highlighted in the strategy are: mobility, employability, language learning.

4. Statistical data on public expenditure on education in the European Union

An EU report highlight the following development indicators in education: the average share of public spending in the EU is 40%. With above average identify countries such as Ireland, Denmark, France, Austria, while Romania recorded a pondere public expenditure in GDP of 30% (with 10 percent below average).

Table no. 1: Structure of public expenditure in EU Member States



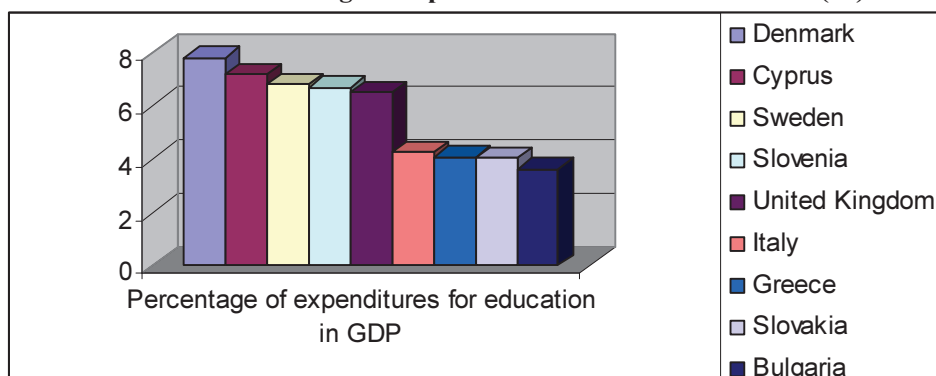
(1) COFOG: classification of the functions of government; data extracted on 22.10.2012.

(2) Provisional.

Source: Eurostat (online data code: gov_a_exp)

According to data from Eurostat EU average in terms of expenditures for education in GDP is 5.34%. We revealed the involvement of several European Union states in education funding in 2011:

Table no 2: Percentage of expenditures for education in GDP (%)



Source: Created by author based on data taken from the Eurostat

States leading to funds allocated to education are Denmark (7.8% of GDP), Cyprus (7.2%) and Sweden (6.67%). If Bulgaria ranks last in the rankings, the indicator is 3.6%.

A comparative analysis shows that Romania was the last country in the European Union position on the size of state funds allocated for education, one of the most important areas for developing countries, public expenditure on education to GDP in 2011- 2013 with the following values:

Table no. 3: Evolution of education spending in Romania

	2011	2012	2013
Total public expenditure (million lei)	205818.5	207922.1	216168.3
GPD (million lei)	556708,4	587446	628581
Expenditure on Education (million lei)	17606.1	17777.4	18920.8
Percentage of expenditure for education in total public expenditure	8.5	8.5	8.7
Percentage of expenditure on education in GDP	3.2	3	3

Source: Created by author based on data taken from the final budget implementation reports in 2012 and 2013, the Ministry of Public Finance, <http://www.mfinante.ro/execbug.html?pagina=buletin>

Note that in absolute education spending had continued growth in the range 2011-2013, amid increasing total public expenditure in the general government. Their growth rate was approximately equal to the growth rate of total expenditure which made that overall, their share in total remains constant.

The share of education expenditure in GDP remains at around 3% lower than the average value calculated for the European Union.

Other statistics on the educational policies of the European Union are provided by the OECD. Organization for Economic Cooperation and Development, an international organization of those developed nations that accept the principles of representative democracy and a free market economy. Each year the report "An overview of education." The report provides data on education in 34 OECD countries, including 21 EU Member States. Six EU Member States are not part of the OECD (Bulgaria, Cyprus, Latvia, Lithuania, Malta and Romania) and therefore not included in the report. Report 2013 presents the following situation for EU countries:

- Expenditure on education per student tend to decrease in most EU countries, although it is still slightly above the average of OECD countries. In 2010, expenditure per student at all levels of the 21 OECD member states were 7 200 EUR compared to 6 900 EUR in all OECD. This is a concern; Moreover, the EU's own data on public expenditure on education as percentage of GDP shows that five EU member states (Bulgaria, Greece, Italy, Romania and Slovakia) combines low investment in absolute terms with a tendency the decrease in expenses from 2008/2009.

- On average, 15% of young people aged between 15 and 29 years were not intended employment, education or training, a situation somewhat better than the OECD average of 16% in 2011, however, the Greece, Ireland, Italy and Spain, over 20% of young people were in this situation. Recent figures show that the EU situation worsened in 2012 for the three countries of the South. Specific programs of education and training, including apprenticeships and training programs of high quality in the EU initiative "European Youth Guarantee" have an important role in avoiding the risk that young Europeans to become "a lost generation".

- On average, teachers in EU countries receive between 77% and 89% of full-time workers pay the same level of education; their wages fell by about 4% between 2009 and 2011 in real terms. If this trend continues, it could pose a threat to recruit a new generation of motivated teachers to replace the aging workforce will retire in the near future.

Usually, the results of investment in human capital does not appear immediately, but long term they are observed. Increasing these costs, including education, is necessary to ensure high qualification labor and hence economic competitiveness internationally.

5. Conclusions

High quality education and training are essential if Europe is to make a speedy recovery from the most severe economic and financial crisis for 50 years. Qualified people with the right skills can boost the European Union's economy by leading innovation and improving competitiveness. However, as a result of the financial and economic crisis, public finances in all

Member States are under great pressure. Governments are seeking ways to reduce budget deficits and manage public debt without dismantling the foundations of sustainable growth. While no direct link can be established between the level of funding of the education systems and student's learning outcomes, there is a general understanding that investing in high quality education and training should continue to be a priority.

We appreciate that some of the characteristics of education in the European Union can be considered real progress in the educational act. We highlight here a distinct trend towards the extension of compulsory schooling is evident in high quality fresh all education systems in Europe, in line with the objective of reducing the dropout percentage and increased autonomy for schools and higher education institutions. Schools have more freedom when daily educational activities, such as selection of teaching methods and textbooks, grouping students for learning activities and establishing internal evaluations. In schools, teachers enjoy greater autonomy in terms of teaching methods, establish criteria for internal evaluation and selection of textbooks, according to decisions about grouping students.

There are also a number of deficiencies, of which we highlight the fact that the teaching profession seems to be devoid of attractiveness and problems in financing education, are representative of something that should be a major concern for policy makers.

For education and training systems can fulfill a decisive role in achieving the strategic goal set at the Lisbon European Council, namely to make the European Union (EU) the most competitive and dynamic knowledge economy in the world, Member States are encouraged to invest sufficient resources to do so that they can be targeted and managed in the most efficient manner possible. In a highly competitive international context and dynamic investment policy in education and training must take into account the new requirements of the knowledge society.

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