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# Education, Mandatory Condition in the Regional Economic Development of Romania

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#### **Abstract**

The education system has undergone many changes over the past decade leading to dropout and low educational attainment of the population that continue their studies. Characterized by various system problems such as inefficiency, irrelevance of studied subjects and the inability to create opportunities for young people to enter the labor market later, the Romanian educational system needs a reboot in order to reduce regional disparities identified at the country level and in comparison with the members of the European Union. The main objective of this paper is to demonstrate the low rate of young people that finish mandatory school and to make contributions in order to meet the Europe 2020 Strategy for a future, more competitive workforce.

**Keywords:** Educational System, Strategy, Regional Development

JEL classification: I20, O15, O18, R11

#### Introduction

A key objective of the five strategic objectives of Europe 2020 Agenda, the educational system requires further attention on the level of early school leaving (below 10% reduction) and the level of the share of graduates in the population of 30-34 years (up to over 40%). Because there are differences within Europe by developing significant educational system, there were drawn separately, based on the above objective, national targets to measure progress in each country depending on the specific development. Thus, Romania aims to reduce the level of national school drop to 11.3% and increasing the share of graduates in the population of 30-34 years at least 26.7%.

# **Present Education System**

Economic growth and regional economic development processes are significantly impacted by the socio-economic situation, public infrastructure, low standard of living and level of educational attainment. Lately there have been a number of different volatilities influencing regional development.

Romanian educational system has undergone many reforms over the years, but declining the share of the school population is growing rapidly in recent years, for all levels of education. There has always been a difference between the education of urban and rural population, the latter level is low, and especially based on school qualification in agriculture, forestry (Ignat

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et. al., 2014). This distinction was made following public policies applied, but regional Romania is also a part in the European Union, its inhabitants having to comply with all the competitiveness conditions imposed by Agenda 2020.

It is demonstrated in the practice that the education and the employment of the population are closely related, as the higher the educational level, the results are better in the labor market resulting in prestige and income over the period of working at a high level. A study of Lee Y. J. (2014) concludes that the percentage of population aged 15 years or older with a level of education which does not pass the ten mandatory classes is in direct proportionality with social vulnerability, and thus regional development. Analysis of economic growth showed that the quality education and the years of schooling has a significant impact on the open economies, higher than on closed economies (Jamison et al., 2007).

The Programme for International Student Assessment (PISA), a programme supported by the Organisation for Economic Co-operation and Development, which assesses the educational system by testing the skills and knowledge of math, reading, literature, financial, and natural sciences of 15-16 years in the the 65 participating countries concluded in 2012 that the educational level in Romania is similar to the one of Greece, Serbia, Turkey, Cyprus and Bulgaria. The level of motivation of students is shown to be the lowest of the 65 countries surveyed, the assessment resulting that students are involved in fewer group activities in achievement school requirements. In terms of performance and equity of the education system, the link between performance and socio-economic status of the Romanian educational system is not much different than the average of OECD (Figure 1).

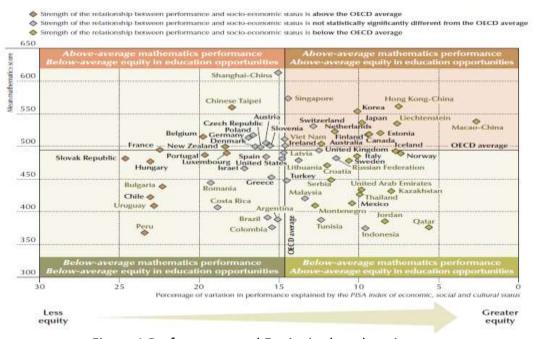


Figure 1 Performance and Equity in the education system

Source: OECD, PISA 2012 Database; Figure II.1.2.

Weber A. S. (2011) considers in a study that the knowledge economy is the next step in the process of global economic development after the agriculture and industry steps. The findings were limited to the idea that the countries are trying to adapt the objectives of the knowledge economy to suit the needs of development, education, economic and socio-cultural threatening society.

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Tomuletiu and Moraru (2010) conducted a study on rural education, study conducted by interviewing residents of 61 villages in order to identify the Romanian human and material resources, methods and strategies used to raise rural education, identification of the education problems, the factors leading to school dropout in rural areas and finding ways to attract development projects. The study concluded results regarding the school administration activities, findings regarding the discrepancies in the need of teaching materials, educators unprofessional level, low level of schools integration in the community and the educational curriculum does not contain updated aspects on the specific regional area.

Another study (Burja C., Burj V., 2013) on a database of 180 observations and 12 European Union countries: Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, Slovakia, Bulgaria and Romania for the period 1997-2011 analyzed the impact education has on a sustainable society development. The analyzed countries showed differences in the structure of the educational system, Romania recording the maximum increase of labor productivity and average GDP per capita in 2004 to about 8.8%.

# **Contributions to Romanian educational system development**

Romanian educational system inefficiency has strong negative influences in the prosperity of regions and socio-economic competitiveness, the current system threatening the knowledge economy and the society in the next years (Stanef, Manole, 2013).

The existence of discrepancies in the Romanian educational system at both rural and urban levels led to the creation of social vulnerabilities and local poverty. In this regard, a study of Biriescu and Babaita (2014) presents solutions for accessibility of youth to education through performance analysis software required for the education system in the processes of regional development, software based on efficiency indicators for education evaluation.

The education system has deficiencies in providing students the same learning opportunities despite the socio-economic or cultural level to which they belong, in this case the Romanian system being unfair, the proportion of students in rural areas getting poorer results than those in urban level, the first of these being a vulnerable category with influence on the development of the region. This low level of poor results of students from rural areas is mainly due to the financial situation, the resources offered by schools and infrastructure.

Raising the quality of education can be achieved by introducing rigorous standards for assessing and optimizing the educational system according to the present population. Qualitative development of the education system should be reflected in the relationship between performance and salaries of teachers, professional development and continuous assessment thereof. Teachers should be bonus depending on the degree of involvement, development and pedagogical skills for new ways of improving the quality of education (Stanef, Manole, 2013).

The impact of education system through the regional development of innovation developed through education capacity to form and create new companies, to license inventions and new patents, creating new jobs. (Popescu, Crenicean, 2012).

#### **Conclusions**

Agenda 2020 objectives implies educational system reform in order to eliminate the discrepancies from disadvantaged groups who have no or low access to education. Romania has developed numerous programs aimed to develop education system at the

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European level. The lower level of education of regional population affects regions at both economic and social level.

Currently, the education system requires a new vision in order to generate strong economic and social development at the regional level to reduce differences in education between the country regions.

In compliance with the objectives set by the European Union for Romania, it is required an optimization for the primary education system and developing the necessary education system for the future managers. Regional development can be achieved by increasing the quality of the education system and its management. There are also required significant investments in lifelong education and training courses for continuous changes in the labor market in order for regional development influence to be lower regarding the continuous changes of the educational system.

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