

## THE IMPORTANCE OF LINKING EDUCATION AND LIFELONG LEARNING WITH THE LABOR MARKET

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***Abstract:** Reviewing some aspects of the economic literature on international achievements in the field of education, this article focuses on the determinants of the domain and its consequences. I emphasize, using statistical data the educational situation in Romania compared to EU countries, the fact that it is very important to develop human capital and competitiveness by correlating education and lifelong learning with the labor market.*

***Keywords:** determinants, education, human capital, labor market, lifelong learning*

Manifested more and rapid technological progress, while contributing to enhancing international competitiveness has been possible thanks to humanity's ability to control and organize their environment according to their requirements, with reference to research and education. On this aspect, Arrow K. (1962 155-173) says that "economic growth is the daughter of knowledge", as being true also the inverse correlation.

Jivan Al. (2000: 55) used as "indicator production" for education, often the number of pupils and students and the amount of tuition and indices used in the analysis of wages and prices. According RAQAHE 2009 (Romanian Agency for Quality Assurance in Higher Education), this indicator is expressed by widening access to higher education, dropout rates, learning outcomes and teaching, research results and employment of graduates.

În ceea ce privește activitatea de producție, ea are în vedere, de fapt, activitatea economică în general (dar și orice activitate umană desfășurată în cadrul social: unități non-profit, organizații de ajutorare și pentru sănătate, cu scopuri ecologice, religioase, politice, culturale ș.a.m.d.).

The production activity takes into account, in fact, the economy in general (and all human activity carried out in the social environment such as non-profit units, relief and health organizations with environmental, religious, political, cultural purposes and so on).

The more an economy is larger and more developed, the workforce is more specialized and the largest trading and demand for goods and services. Big cities are rich precisely because of growing

division of physical and intellectual labor. Therefore, countries such as Germany, France, Italy etc. to attract specialized labor, cheaper from countries like Romania, Bulgaria, Albania, etc., first developing in further time economies and becoming stronger and supplying countries stagnating or even registering setback.

Many countries, including Romania, have governments that do not prove a very high professionalism on efficient intangible investments and do not have a specific strategic plan to invest in national human potential to send them sufficiently to studies and specializations in fields in which the scientific and professional advance can be of major importance for the country. In most developing countries, there is no appropriate interest for the training of specialists and bringing them into the country, providing conditions to demonstrate that there is intellectual potential.

In many developing countries as in the case of Romania, graduates of educational institutions are often put in the situation to emigrate due to the fact that state policies are not sufficiently flexible and with a vision in the future (on the long-term effects), in order to appropriately integration within the national economy, by the concern for providing suitable jobs and paid appropriately paid, so that the national economy to benefit from the added knowledge concerned. One forum of the economy, within which the problem of integrating these values for the benefit of the nation is put as a priority and preferentially, it is represented by the intellectual intensity centers including those with high impact decision - at all levels, starting with the government.

It is suitable here, quoting a formulation inspired by T. Peters, "turn on the staff in the vital centers of intellectual capital accumulation ... and not bureaucratic sources of stress ... A perfect mature company, is the one that provides professional services... dedicated to TRANSFORMATINAL projects / exceptional service for costumer". Quote from Peters, T. (2011: 24).

An education based on quality on the long-term and very long term effects, is considered essential from the beginning of life in the purview of the family and then continuing with the stages of learning, from pre-school, primary and secondary education up to the tertiary (undergraduate and postgraduate).

Competences acquired "in schools" become an essential part of learning throughout adult life called Life Long Learning.

In the following table, we can observe participation in lifelong learning of persons in the age group 25-64 years.

According to the data from the table, at EU level, is seen a "slight" tendency to increase participation in lifelong learning from 12.5% in

2000 to 15.2% in 2010. The same situation it is identified also in Romania, where the value is increasing from 2.5% in 2000 to 3.8% in 2010, a small percentage compared to countries like Denmark, Finland and Sweden where the percentage exceeds 30%.

	UE27 <sup>1</sup>	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV
2000	12,5	9,5	3,8	8,7	27,5	12,6	13,0	7,9	2,9	10,3	6,5	11,7	5,0	13,7
2010	15,2	11,2	4,2	12,6	44,2	16,9	17,3	10,0	6,9	17,5	8,6	13,0	13,2	9,5
	LI	LU	HU	MT	NL	AT	PL	PO	RO	SI	SK	FI	SE	UK
2000	5,7	7,9	7,0	9,2	23,6	14,0	9,4	8,2	2,5	16,9	10,4	25,0	28,4	25,4
2010	9,3	20,0	6,6	8,4	27,2	22,5	11,2	11,6	3,8	28,9	5,5	33,7	33,5	24,4

Data for 2000 are: BG-2001; CZ-2002; PL-2001; IE-2002; SI-2001;SK-2002; LV-2002

Source: Eurostat: <http://epp.eurostat.ec.europa.eu/tgm/table?tsdsc440/2.2.1-r1785-2011-09-23> (PROD)

Given the formulas for growth and objectives of the EU Strategy 2020 it is considered human capital development and increasing competitiveness by linking education and lifelong learning to labor market, and ensuring increased opportunities for future participation in a modern, flexible market labor.

On this aspect, Suciu M.C. (2000:20) considers that the most valuable investment is the one in people and investment in education, especially "because no dowry, no matter how consistent would be materially is only temporary and misleading ... knowledge is one of the access keys that we can offer to children, hoping that they will find a better way on the journey of life".

Due to the current economic, food and financial crisis, increased competition in markets compel people to resort more and more often to knowledge, innovation; obtaining and using it, involves investment in scientific research and education capable to transfer this knowledge to employment and economic performance. On this idea, important to note is that in Romania, human potential is clearly underused, because of neglecting investments in education and research, hence the "major exports of valuable human capital." Returning to prosperity, according to Roubini and Mihm's opinion (2010: 274), requires carrying out the

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1 UE27: Belgia, Bulgaria, Republica Cehă, Danemarca, Germania, Estonia, Irlanda, Grecia, Spania, Franța, Italia, Cipru, Letonia, Lituania, Luxemburg, Ungaria, Malta, Olanda, Austria, Polonia, Portugalia, România, Slovenia, Slovacia, Finlanda, Suedia, Marea Britanie

spending on deficit, attracting investors, investment in materials (in buildings, equipment, tools) and intangible (in strategy, organization, research and development, staff training, computer etc.).

Although the economic literature presents many arguments about the role of education in economic development, it has not made clear the ways in which education influences individuals to become more productive and not studied sufficiently quantifiable those effects indirectly contributing to economic development. In this respect, Sedlacek (2012: 67) said that our nature must be transformed, grown, because it is insufficient, cruel, evil and the good (human) occurs only after the emancipation from the nature (from the natural state) by cultivation and education.

Currently, all areas of public budgets in Romania (State budget forecasted for 2012), including education and training, are subject rigorous examination. Most member states of the European Union, have difficulties of maintaining current levels of spending. However, studies in the field suggest that improving education can produce significant long-term benefits and generate job growth in the European Union and hence the performance competitiveness.

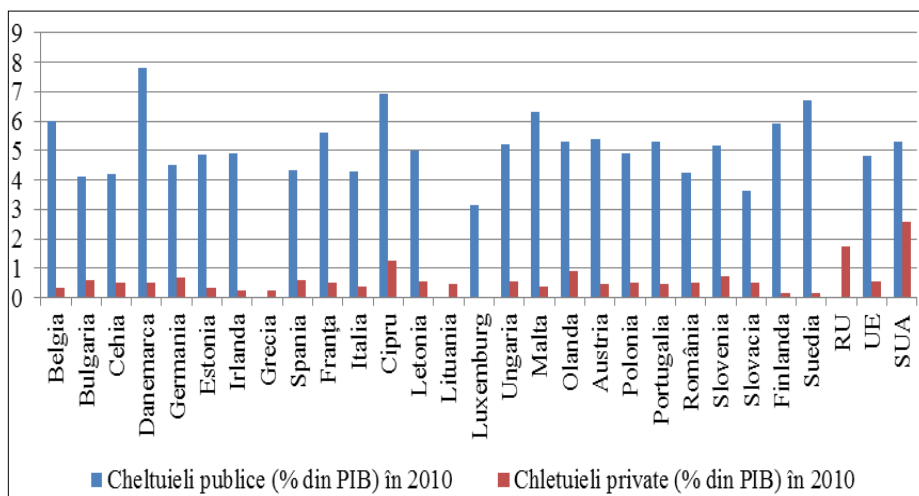


Chart 1. The share of education expenditure in GDP

Source of data: Țăran, N. - *Entrepreneurial spirit and innovation*, paper presented in International Conference „Entrepreneurship and Entrepreneurs Growth in the Hungarian-Romanian Border Area (EEGHuRoBA)”, Timișoara, 10-11 February 2012, organized in the frame of HURO Project 2011-2012

From chart. 1, it is observed that the largest share in the GDP have public spending, Denmark recorded the highest percentage of 7.83%, Romania 4.25% and Luxembourg the lowest percentage of 3.15%.

Regarding the share of private expenditure in GDP, we can say that the U.S. is in the top positions, because has recorded a rate of 2.58% compared to EU countries such as Cyprus where such share is 1.27%, Romania 0.5%, Sweden only 0.15%.

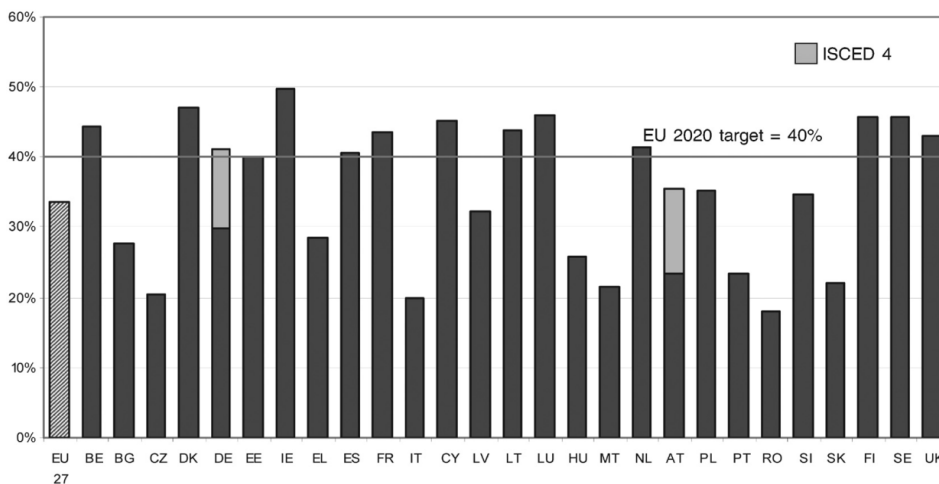


Chart 2. Graduation rates of tertiary education or equivalent: levels in 2010 and national objectives, performance in 2010 (%)

Source for 2010: Eurostat (AFM) (nivelurile ISCED 5–6). For DE, the objective includes ISCED 4 and for AT, ISCED 4A.

From chart 2, it appears that Ireland has the highest rate of 50%, while Romania is at the opposite pole, tertiary graduation rate being about 18%, this value being obtained because of education budget cuts in recent years.

**Conclusions**

Modernization of higher education, must be another priority for the debates in the next period of ET 2020, along with the implementation of the Communication of 2011 on the higher education on the one hand, and the Council conclusions on the modernization of higher education systems in Europe on the other hand, according to the Official Journal of the European Union (2012: 13).

According to state budget law of Romania (2012: 34) reducing education budgets threatens to undermine the economy's growth potential and competitiveness, for example the annual education budget decreased from 4,315,478 thousand lei in 2011 to 3,939,653 thousand lei in 2010. Obviously, this situation affects negatively, especially on long-term development and competitiveness.

Once reached the minimum level of education, supplementing the preparedness of an individual does not translate into a significant increase in external revenues generated by its education. After the individual has passed the formal stage of general education, assuming that its objectives are to satisfy the minimum education requirements, he or his family may decide to switch to specialized education - training, specialized knowledge, abilities, skills in a particular field. Such education will attract substantial private income growth for individual considered, while foreign income of its education will record significant increasing trends.

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Jurnalul Oficial al Uniunii Europene – Raportul comun 2012 al Consiliului și al Comisiei privind punerea în aplicare a cadrului strategic pentru cooperarea europeană în domeniul educației și formării profesionale (ET 2020) din data de 08.03.2012, p. 10-13

Proiectul Legii bugetului de stat pe anul 2012, Anexa nr. 1

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