

# Current issues and future challenges in Education based on the analysis of Human Capital indicators between 2007-2017

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**Abstract:** The investments in educational capital are a medium and long-term weapon that nations can use to combat poverty and ensure sustainable development. Considering that the future belongs to those states that are aware of its huge potential, an analysis on the Romanian stock of educational capital is a necessity. Thus, the research findings will further facilitate the knowledge that decision makers could use to improve the policies and strategies in order to develop a competitive education in a digitized economy.

The analysis will focus on the quantitative and qualitative dimension of human capital. The evolution of enrollment rates by education levels, school dropout rates and the results of international tests will be the pillars of the educational capital analysis between 2007-2017. The study will be based on data from the Eurostat database, Statistical Yearbooks and official data provided by public institutions and international organizations. In fact, the period under evaluation was chosen for reasons that are linked to the economic and political context. The first was to carry out an analysis of the impact on education of the first 10 years after Romania's accession to the European Union. The second reason was the identification of the existing or non-existing effects on the education system of two different periods of the economy evolution (the crisis and the post - economic crisis). The third reason was to highlight the educational system direction in a decade characterized by major changes in business and labor market along with the evolution of the digitized economy.

Keywords: human capital, enrollment rates, investment, poverty, digitized economy

## Introduction

Human capital is defined by Becker as monetary and non-monetary activities that influence the future monetary income of the individual and according to him "education and professional training are the most important investments in human capital."<sup>1</sup> The economist highlights the fact that the individual is not just the ultimate consumer, but it is a true producer who, through education and training, is investing in human capital. As in the individual level, the state, through its policies and strategies, is a major actor who chooses how to invest in producing human capital.

Human capital is the level of education and health in a population and is considered an important determinant of economic growth. In modern economic theory, human capital is defined as "the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being" (OECD). Accordingly, the new modern economy cannot grow without an educated workforce.

The need to assess the human capital of a country is a prerequisite for ensuring sustainable government policies. Therefore, knowledge of people value at the national level will help to better manage the existing human capital and to better facilitate future policies for the creation and development of the forthcoming human capital.

As the authors of the OECD report explain, the interest in the factors that can generate economic growth is not a new trend and it's the reason "why economics is at the

core of modern life"<sup>2</sup>. The interest in growth may originate in "human greed for material goods or our desire to create a better world with good schools and hospitals for all, most of us want to see our countries – and ourselves – become wealthier."<sup>3</sup>

For a nation, the purpose to create public policies to ensure economic growth is a way to ensure the prosperity of its citizens. Human capital, through the quality of the workforce, play an important role in economic growth, along with other factors like demography, innovation, opening to foreign trades and the entire national political and legal system etc.

## Research methodology

The analysis will focus on the quantitative and qualitative dimension of human capital. The evolution of enrollment rates by education levels, school dropout rates and the results of international tests will be the pillars of the educational capital analysis between 2007-2017. The study will be based on data from the Eurostat database, Statistical Yearbooks and official data provided by public institutions and international organizations.

Therefore, investigating human capital helps to better understand the internal capabilities of a country and to formulate policies as suited to its real needs.

Several assumptions are to be left for the issue analyzed in this article:

- The lack of long-term vision and certain financial limitations by competent authorities could affect the fair allocation of

<sup>1</sup> Becker, Gary (1997), *Capitalul uman. O analiză teoretică și empirică cu referire specială la educație*, ALL Publishing House, p. 17

<sup>2</sup> OECD Insights: Human Capital, p. 26, <https://www.oecd.org/insights/37967294.pdf>

<sup>3</sup> Ibidem

resources which can determinate a regression in training and use of human capital.

- The Myopia of Government’s education policies and measures and the decreasing birth rates, along with high rates of Romanian emigrants could affect economic growth in the medium and long term, with great consequences for declining business competitiveness.

- The decrease of education results recorded in international assessment tests should be a cause for concern to the authorities because on the long run they can cause a loss of innovation capacity, development and prosperity of a nation.

### Results and discussions

The findings are carried both practical and theoretical implications which are discussed in the light of the current results. The results are based on the human capital development context and the quantitative and qualitative research of the human capital indicators.

#### 1. Romanian human capital development context

Considering the total number of inhabitants, the population of Romania is among the leading countries in the European Union, with a high potential for growth through the formation and development of the human capital of its citizens. Thus, Romania is in the top 10 countries with the largest population, having a total of 19,523,621 in 2018 according to EUROSTAT data<sup>4</sup>. In contrast, the quality of life ratio placed Romania since its accession to the EU as the second lowest the EU 28, followed by Bulgaria.

Only in 2018, after more than 10 years, according to Eurostat official statistics, Romania has reached 63 points in the EU average of GDP/capita in PPS, registering a leap five points in one year as a result of strong economic growth - 6.9% - in 2017 as can be seen in the chart below (Fig. 1 ).

<sup>4</sup> <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=t-ps00001>

Figure 1. Quality of life (2007 – 2017)



Source: EUROSTAT, GDP per capita in PPS , data processed by the author

Starting from this measurement indicator, which is the most common measure of the economic activity of a region or a country at a given time, it is appropriate to draw attention to the fact that human capital in Romania is in a vulnerable position in terms of its quality. Even with this growth in 2017, we are one of the poorest countries in the Community, with major effects on the competitiveness of human capital.

Table 1. The relative poverty rate in Romania (2007 -2017)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
The relative poverty rate	24,8	23,4	22,4	21,1	22,2	22,6	22,4	25,1	25,4	25,3	23,6

Table 1. The relative poverty rate in Romania (2007 -2017)

From the data presented in the table below (Table 1), it results that almost one in five inhabitants lived in a family whose income was lower than 60% of the population's median income. The average of the analyzed period is 23,48 which means that approximately a quarter of its citizen is being in poverty situation. The relative poverty rate in Romania. The relative poverty rates in Romania show slight increases and decreases over the period under review, but without any major influence on its evolution.

For example, there was a decrease in the relative poverty rate between 2007 - 2010, but the effects of the global economic crisis and the measures taken to reduce the crisis effects have led to an increase in the poverty rate in the period 2011-2016.

Only in 2017 the poverty relative rate drops after more than 6 years of growth (23,6 comparing to the peak - 25,4 in 2015), but far from reaching the lowest level registered in 2007 and far from the European Union level (16,9 in 2017).

To highlight the poverty level in Romania, I introduced also the analysis of the relative poverty rate evolution. The relative poverty rate is the share of poor people who have a disposable income per adult-equivalent lower than 60% of the population's median income.

Among the Member States, Romania is still among the countries with the highest poverty rate (along with countries like Bulgaria, Spain, Lithuania) and at a very long distance from countries with the lowest proportions of persons at-risk-of-poverty (Czech Republic, Finland, Denmark).

Given the data that places Romania among the poorest countries in the European Union, we should draw the attention that in this context human capital suffers because education and poverty are closely inter-connected if we are consider Shultz and Becker human capital theory. Human capital "in the form of education and health increases an individual's earning potential, but also generate a "ripple effect" throughout the economy by way of a series of positive externalities"<sup>5</sup> For example, OECD, as in its many other

<sup>5</sup> Indunil de Silva and Sudarno Sumarto (2014), Dynamics of Growth, Poverty and Human Capital: Evidence from Indonesian Sub-National Data, MPRA Paper No. 65328, <http://mpra.ub.uni-muenchen.de/65328/>

studies and reports, in "The value of people"<sup>6</sup> study highlights the incredible power of revenue growth through education. The authors mentioned that "the higher a person's level of education the better they do in economic terms"<sup>7</sup>. In Norway, for instance, university graduates enjoy a 26% earnings premium over people who only finished secondary school.

Therefore, to reduce poverty a solution could be fostering higher level of Romanians education. To highlight the situation of the education system, I will analyze the enrollment rate, the rate of graduates by level of education and the results of Romanian pupils at international tests.

## 2. The Quantitative dimension of human capital

For a better understanding of the subject, a brief presentation of the Romanian education system structure is needed. According to the Law of National Education, the organization of the education system is based on the "sustainable production of a highly competitive national human resource able to function effectively in the current and future society."

<sup>8</sup>The national education system is organized in educational levels to ensure the coherence

<sup>6</sup> OECD Insights: Human Capital, p. 26, <https://www.oecd.org/insights/37967294.pdf>

<sup>7</sup> OECD Insights: Human Capital, p. 26, <https://www.oecd.org/insights/37967294.pdf>, p. 33

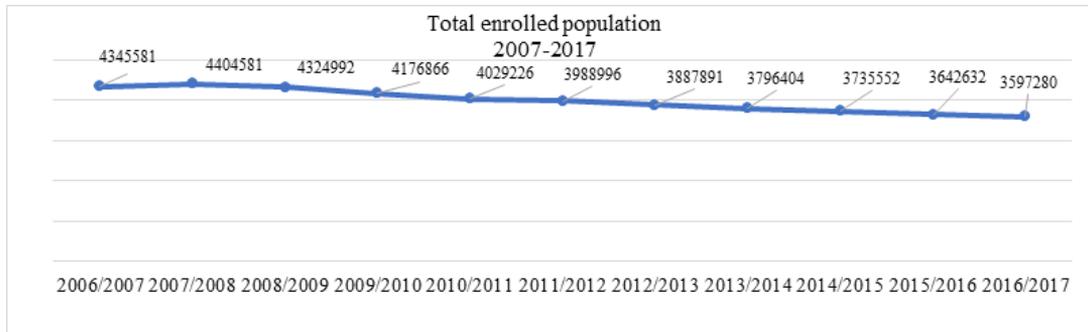
<sup>8</sup> Legea 1/2011, Educației Naționale (Law 1/2011, Law of National Education), art. 2

of instruction and education by age and individual peculiarities. The state ensures equal rights of access to all levels and forms of School education and Tertiary education, as well as to lifelong learning, without any form of discrimination, to Romanian citizens, as well as to the citizens of the other European Union member states, of the states belonging to the European Economic Area and of the Swiss Confederation.

In Romania, the compulsory education is founded by public funds and participation in the educational process is mandatory. The participation in the Romanian education system is financed by public funds for children enrolled in kindergartens and public schools. The Romanian state also finances the participation of students in tertiary education. Thus, Romania is among the countries of the European Union whose education is financed mainly from public sources. This should contribute to a higher rate of school enrollment. However, the analysis of the evolution enrollment rate indicates the opposite. The school population tends to decline at national level, with serious long-term damage to human resources in quantitative and qualitative terms.

In the analysis carried out between 2007 - 2017 (pre and post economic crisis), the downward trend has been recorded at all levels of education: Pre-primary education, Primary and lower secondary education, High schools, Vocational education, Post-secondary non-tertiary and foremen education and Tertiary education (see Fig. 2).

Figure 2. Evolution of the total number of pupils/students enrolled in education, 2007-2017

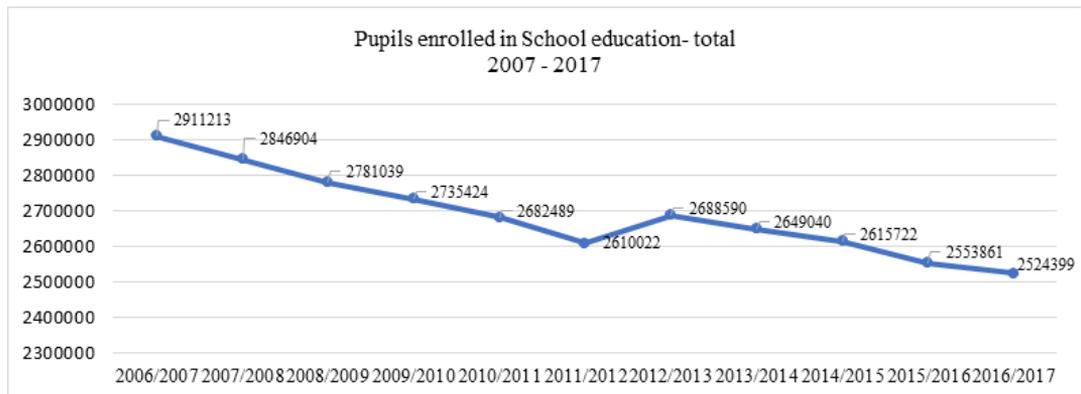


Source: National Institute of Statistics, data processed by the author

The 2007-2008 school year had the highest number of enrolled pupils and 2016-2017 had the lowest number of pupils enrolled.

Therefore, in 10 years, Romania lost 807 301 of the pupils/student's population.

Figure 3. Evolution of the total number of pupils enrolled in School education, 2007-2017



Source: National Institute of Statistics, data processed by the author

During this period, for School education level, the 2006-2007 was highlighted as being the year with the highest number of enrolled population (2 911213 enrolled population) and at the opposite side was the year 2016-2017 with the lowest number of enrolled populations with only 2 524399.

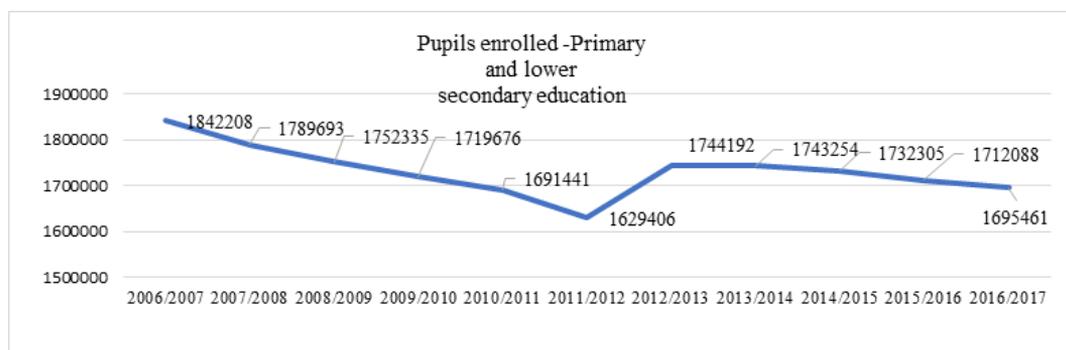
As can be seen from the above figure, a major decrease occurred in the school year 2011 - 2012, followed by an increase in the number of people registered the following year, but only for one year. The increase in the gross enrollment rate in school can be explained by the inclusion in the compulsory

education system of the preparatory grade in the school year 2011-2012.

Even with the inclusion of the preparatory grade, the data from the past five years indicate a continuing downward trend.

The decrease was registered both in primary and secondary education. For these levels, during the economic crisis there was a major drop, followed by a slight increase and maintenance for two years until the school year 2015-2016 when it is a new negative trend at the number of enrolled people.

Figure 4. Evolution of the total number of pupils enrolled in Primary and Secondary education, 2007-2017



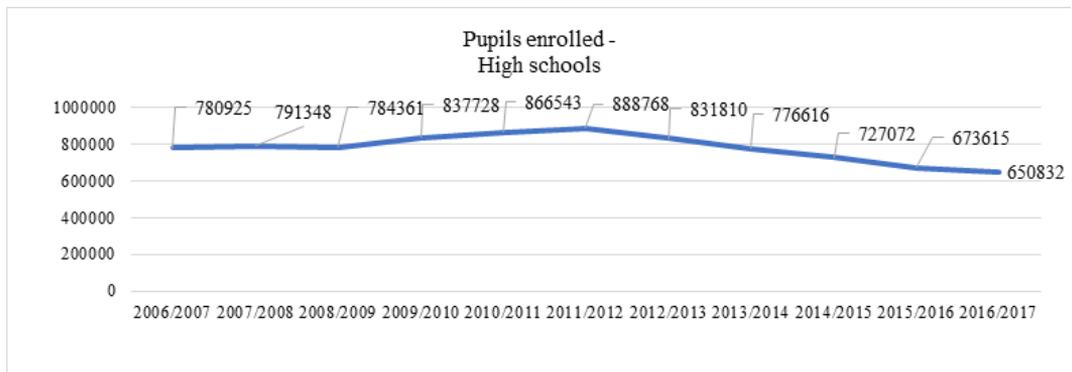
Source: National Institute of Statistics, data processed by the author

For high-school education, the enrollment rate increased significantly in the first part of the analyzed period, reaching maximum number in 2011/2012 (888 768 people enrolled). The positive enrollment trend was determined by the abolition of vocational education (arts and crafts units), a decision which limited the choice of secondary school graduates through further education only within high school level. Subsequently, as a result of Government measures to reorganize vocational education (in 2014/2015), the high

school enrollment rates dropped, reaching the lowest level in 2016/2017.

Therefore, in the case of High School education, the crisis did not have a negative impact on the number of people enrolled because at this level there were contextual factors (the abolition of arts and crafts schools) that stimulated growth. Unfortunately, the second part of the period under review reveals a decrease as it is found in all levels of education mentioned above.

Figure 5. Evolution of the total number of pupils enrolled in High School education, 2007-2017



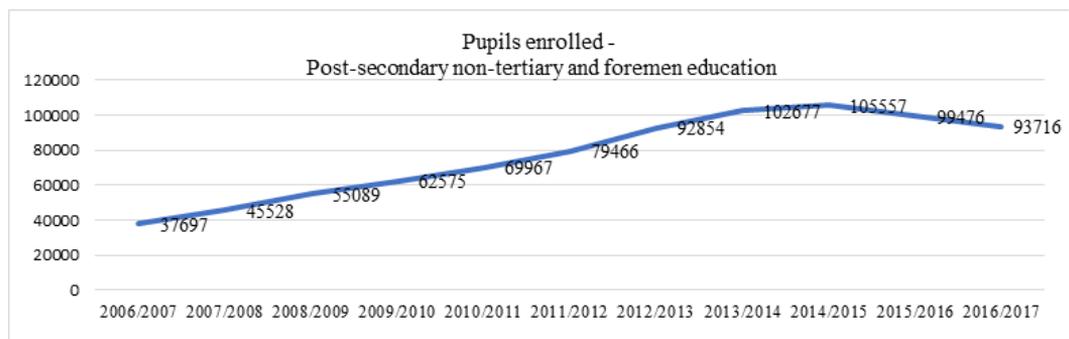
Source: National Institute of Statistics, data processed by the author

A possible explanation for this trend might be the decrease of birth rate, emigration and school dropout. The school drop-out is caused by poverty or lack of parental supervision because parents emigrate for better salaries abroad, and children are cared by grandparents or other relatives without being

able to supervise and care them properly.

The only level of education that is marked by spectacular growth is that of post-secondary non-tertiary and foremen education. For this level of study, there was a steady increase over the period the interval 2007-2014.

Figure 6. Evolution of the total number of pupils enrolled in Post-secondary non-tertiary and foremen education, 2007-2017



Source: National Institute of Statistics, data processed by the author

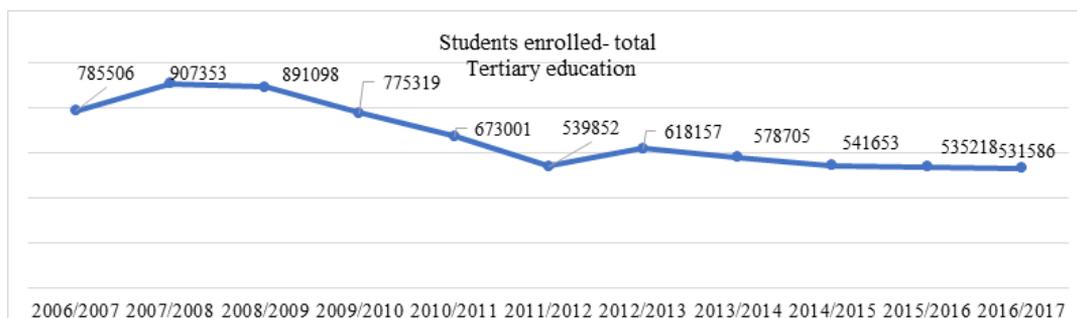
The significant increase in the number of pupils attending post-secondary education and foremen is explained by the fact that this level has become an attractive option, given that in recent years the high school graduates without a Bacalaureate diploma (High school diploma) has increased and the gross enrollment rate in higher education has decreased (from 56.9% in 2009/2010 to 35.8% in 2015/2016).

As I underlined above, the effects enrollments and graduates' rates in School education have direct effects on enrollments in tertiary education. Thus, the tendency to decrease is also observed in the case of tertiary education sector. The factors that accelerate the drop, apart from those mentioned above, includes also the fierce competition on the international education services market and the lack of correlation between the specializations of the universities and the

labor market which makes the alternative to continue higher education less attractive. Also, in recent years, another cause has been the attractiveness of immediate job earnings abroad as unqualified staff. Unfortunately, from the perspective of human capital theory and income variation reports by education level, the above model is a risky one because it limits the growth and future development of the individual. Migration rates from Romania to other host countries indicate an increase of young people. This situation has direct effects in decreasing the number of enrolled and higher education graduates.

As in School education, the highest number of students, was registered in 2007-2008, the year before the beginning of the economic-financial crisis, in which Romania (in 2008) registered one of the biggest economic growth (8.6%) as can be seen in the figure below:

Figure 7. Evolution of students enrolled in Tertiary education, 2007-2017



Source: National Institute of Statistics, data processed by the author

During the crisis the enrollment rates were very low. Thus, in the analyzed period, from 2007 to 2017, the total number of students almost halved. From 907 353 students in 2007, when the highest rate of enrollment was recorded, it fell steadily in 2017 to 531536, with less than 375,817 students enrolled. The greatest decrease is recorded in the years of the economic crisis, with more than 100 000 students (the difference between the academic year 2009 - 2010 and 2010 - 2011 is 102 318 students less, and between 2010 - 2011 and 2011 - 2012 the decrease was higher than in the previous year, with 133,149 less students enrolled). After this decreasing peak, in 2012 - 2013, there was an ascending evolution, the number of students increased by 78 305 students enrolled. Unfortunately, the growth trend has not been maintained in the next few years. In the last five years, the student dropout rates are no longer as high as in the

crisis, but the trend is negative.

In the analysis carried out by the Ministry of Education and published in 2016 it was emphasized that by ownership, the highest decreases are registered in private education and for public education the data indicate a slight increase, most likely influenced by the loss of attractiveness of the private sector. Of the total number of enrolled students, nearly 87% preferred public education programs and just over 13% private education. In 2015-2016 academic year, the private higher education institutions had 70000 enrolled students from 535218 students total enrolled.

According to the type of study programs, both in public and private education, the highest number of people enrolled are Bachelor studies followed by master studies as shown in the figure below:

Table 2. Distribution of people enrolled in higher education, study programs and property form

Studies programs	Public tertiary education%	Private tertiary education %
Bachelor studies	75.60%	84.40%
Master studies	20.20%	15.10%
PhD studies	3.60%	0.30%
Other	0.50%	0.20%

Source: Ministry of Education (2016)

From the above data, there is a low preference for continuing non-bachelor studies. This issue should be worrying given that for Bologna system, the bachelor studies have shortened their duration, creating only general competencies. Therefore, continuing a master's program has a great importance on the more in-depth skills required for a graduate on the labor market.

In this case, university management could provide specific strategies for each faculty to increase the retention of those who complete bachelor studies. Also, to increase the attractiveness of master programs, the programs should become more applied and stimulate the interactivity and relation between labor market experts and master students.

Moreover, the major problem identified for the age 18-24, according to research in education, is the highest degree of school dropout and non-participation in education systems. According to Eurostat report "from

2006 to 2016 the total number of students dropped by 17 %". For the period under review, 2008 marks the lowest recorded rate in Romania for this indicator (15.9%). An explanation for the dropout rates lies in the cost of the opportunity to stay in school. This is too high, especially for rural young people and they prefer to look for a job or other specific opportunities outside the school. In addition to opportunity cost, there is a mix of personal, social, economic, educational, and family factors that are connected and lead to dropout (e.g. the disorganized family environment, the exodus of parents and young people abroad and the difficult finding of a job corresponding to the graduates profile etc.).

For the pre-university education the percentages are lower than for the 18-24 age group. The rates have fluctuated, higher percentages were observed at the beginning of the analyzed period (2006-2008), but also at the end of the analyzed periods (2014-2016) as can be seen in the data below:

Table 3. The dropout rate in pre-university education (2006 -2017) - percentage

Education level	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
Primary and lower and secondary education	2	2	1.7	1.6	1.8	1.8	1.4	1.5	2	1.8
of which:										
Primary education	1.5	1.7	1.4	1.4	1.6	1.6	1.1	1.3	1.8	1.7
Lower secondary education	2.1	2.3	1.9	1.7	2	1.9	1.7	1.9	2.1	2
High school education and vocational education	2.7	3.3	3.6	2.9	4.2	2.4	2.9	2.9	3.5	3.6
Post-high school and foremen education	8.6	7.5	5.9	5.5	6.3	6.1	8.9	7.9	10.7	9.7

Source: National Institute of Statistics, data processed by the author

The perspective for post-high school and foremen education is alarming because it highlights a significant increase if we compare the school year 2008-2009 when the lowest dropout level was registered with the school year 2014-2015 when the rate doubled. And these high growth rates indicate an increase in youth vulnerability to poverty because they have a higher risk of becoming unemployed or earning less once they become employees. And this issue generates additional public and social costs as health and social benefits, individual incomes and lower economic growth, and lower tax revenues. In fact, "the costs of such exclusion have been estimated in some countries based on the analysis of major social and economic costs at the individual and society level and, in this context, the costs of early school leavers have reached, over the lifetime, 2 million euros per person" .

It should be mentioned that the school dropout is also an important indicator for assessing the performance of education. It is calculate as the difference between the number of students enrolled at the beginning of the school year and the number of pupils enrolled at the end of the school year, expressed as a percentage of the number of pupils enrolled at the beginning of the school year.

Being a performance indicator, finding solutions to improve exit rates should be a priority as it affects Romania's medium and long-term ability to have a well-trained workforce to ensure sustainable economic growth.

These solutions should be identified through a process interconnected to the reality of each school, region, specialization etc. The strategies implemented so far foreseen interventions on the system, so many of them have not achieved their goals. The new

strategy should include a correlation of all institutional, administrative and social actors to prevent and combat dropout by using specific measures for each group, aligned with a governmental policy that will be able to support the actions.

### 3.The Qualitive dimension of human capital

The above analysis reveals a quantitative study of human capital through the study rate enrollment and drop out school rate as a loss, but this would not be complete without a human capital qualitative study that considers the test scores on national and international investigations into pupil assets. Thus, an analysis is needed to identify the quality of outputs in the educational system. A study of the quality of human capital was originally developed by the authors Hanushek and Woessmann (2012) which explored the impact of education on growth by using data on different international achievement test performance as a main proxy for the human capital.

The PISA (The Program of International Student Assessment) test consists in a specific procedure to measure qualification score in reading, mathematics and sciences. The test is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students. The age of 15 was chosen because, in most of the countries, students can decide whether they want to continue their education. In fact, one of the objectives of PISA testing is to identify how "prepared they are for real-life situations in the adult world" (PISA official website) . The results can be an important barometer for the quality of a

country's human capital based on which the decision makers could improve policies and strategies in the field of education. The role that PISA tests have had in initiating processes of change in education is also highlighted in the literature. For example, Germany, "after its students were ranked below the OECD average in 2000, its enacted policy to implement comprehensive reforms in the education system, including the establishment of an educational standards monitoring mechanism. The United States (US uses state-level

standardized testing, and it has national testing regimes. Following these examples, Israel introduced a policy of setting standards, including evaluation measures for scholastic achievement, school efficiency, and growth" (Yaffe and Burg, 2018)

Regarding Romania's score in the period under review, it was highlighted in the table below in comparison with the OECD average score and the highest and lowest scores that were obtained by the participants (see Table 3)

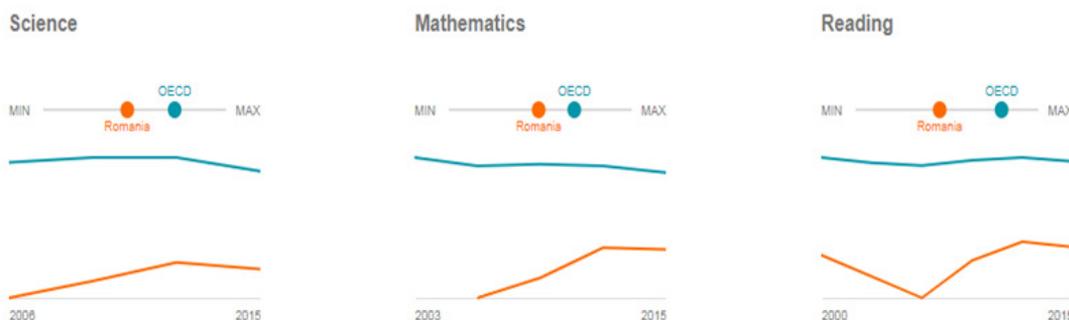
Table 3. The scores obtained in the Pisa tests by the Romanian pupils (2006-2015)

Year	Reading				Mathematics				Sciences			
	2006	2009	2012	2015	2006	2009	2012	2015	2006	2009	2012	2015
<b>OECD average</b>	492	492	496	493	498	496	494	490	500	501	501	493
<b>Highest score</b>	556	556	570	535	549	600	613	564	563	575	580	556
<b>Lowest score</b>	285	314	384	347	311	331	368	328	322	330	373	332
<b>Romania score</b>	396	424	438	434	415	427	445	444	418	428	439	435

Source: OECD Test Reports on PISA Tests

The results obtained by the Romanian pupils highlights a medium - low quality of education compared to the OECD average and many others participating countries.

Figure 8. The average performance OECD - Romania



Source: OECD Test Reports on PISA Tests

For the period under review, the OECD's PISA test reports indicate that Romania has improved its education performance over 2006 but is slightly down on 2012. Tests, conducted in 2015 and compared to 2006 results, show that Romanian improved its rate in math and reading performance, along with students from Colombia, Israel, Portugal, Qatar and Macao (China). Unfortunately, in 2015, the upward trend has not been maintained, the 2015 results as compared to 2012 indicate a slight decrease in all three disciplines: mathematics, science and reading.

According to Marian Stas, an expert in education, low performance results from the fact that the two educational structures are practically decoupled. "The way the PISA program is designed has no structural link with what is in Romanian educational system. Exercises involving PISA tests are completely different from those in textbooks or exercises with which Romanian pupils are used, and this may indeed be the explanation for modest performance".

Therefore, it is necessary to bring the Romanian education system closer to that of the countries with high scores in the PISA tests. In these countries, educational management is based on a transdisciplinary or interdisciplinary approach, which is also the basis of PISA tests, while in Romania the educational system is built on a disciplinary basis.

The change implies a whole restructuring system, from public policies to the creation of teacher's competences needed to implement a system based on interdisciplinarity and interactivity. For these profound changes, the Ministry of Education decision-makers together with kindergarten, schools and high schools' managers must outline the directions and concrete actions to

implement the new model as soon as the necessary resources have been created for these (human and financial resources). "The adaptive change of education is a deep-seated, collective-based learning exercise based on trust, honesty, competence, performance and courage, designed to generate irreversible gains - short, medium and long-term for all individual and institutional actors involved" (Stas, 2012). These changes are therefore necessary to create a human capital development environment through initial training that will be able to develop the future country's economy. A well-prepared human capital offers potential for entrepreneurial development, innovation, and relieves the state of future social spending (unemployment, social assistance, additional health care, etc.)

### Conclusion

The educational analyses indicate a limitation of its evolution. The data highlights several problems identified within each analyzed pillar.

The enrollment rate indicates a loss of more than 800,000 of the total pupils / student population in just 10 years. The enrollment rates are decreasing for most education levels and may be explained by lower birth rates, increased migration (for primary and secondary levels), and loss of attractiveness of education especially for higher levels (high school and higher education). In this case, the lack of interest in education is not only a cause of the content of the curriculum at these levels, but also the consequences of poor or inadequate content and methods for primary and secondary education.

In the light of these issues, there is also a high dropout rate, which fluctuated over the

period under review, but overall, the trend continues to rise at the level of the whole educational system. This can be correlated with an increase in youth vulnerability to poverty, as they are at a higher risk of becoming unemployed or earning a low salary at the limit of subsistence. Moreover, the results of those who continue school are not among the highest. Analyzing the results obtained by Romanian students in PISA testing, they indicate a low - average performance score.

Considering the problems highlighted in the analyzed period, it is necessary to reconsider the policies and educational strategies for creating a better environment for the development of human capital. These changes must be done in conjunction with direct decision makers (school directors, school inspectors, members of education committees, etc.), as well as teachers and students who can indicate the real problems they face daily in the educational process. Also, a second step should include better and a more efficient financial investment needed to implement change and create a better educational system. Thirdly, the education system must become more attractive through a more interactive, interdisciplinary content and with greater emphasis on the ability to be used in practice. For these, a possible solution would

be the development of human resources skills through specialized training and exchanging experience and good practice. It is also necessary to identify an education model to be used as source for guiding principles of change.

Therefore, the decision-makers need to change the myopia that has characterized them in the past decades with a realistic strategy that requires a better understanding of the real needs of the beneficiaries and better involvement of all levels of management responsible for planning and implementing the new strategy for education. The mission is not an easy one, it involves many challenges, but by efficiently utilizing the competencies of those involved, Romania will be able to have a high-performance education system, aligned with European strategy standards.

A better educational capital will bring higher development conditions for Romania to cope with a digitized economy, an economy where innovation and competitiveness of human resources are important factors of progress. Also, ensuring better conditions for development and use of human capital will also help to reduce poverty and migration levels, which are currently common in the Romanian economy.

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