

THE EDUCATION ROLE FOR THE YOUNG PEOPLE INSERTION IN THE ACTUAL LABOR MARKET

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*Abstract: Business leaders, politicians and academic researchers agree that in a world where materials, technology and even know-how are widely available and easily transportable, the factor which makes the significant difference is **people**. These are important times for education in all the countries. Therefore, Romania has to take into account the fact that the economy performances and the ability to stand against the international competing pressures, especially under the integration circumstances are directly related to the quality of the human factor and to the structural modification of the labour force. In this respect, an important role in attaining these objectives play the actions aiming the increase of the labour force training level, concomitantly with the re-qualification and re-orientation thereof depending on the existing and predictable demand on the labour market. The European context requires the necessity for Romania to adapt itself to the conditions of the new economy and to the knowledge society, in which the competing advantage is obtained by innovation and by a government management able and decided to increase the aggregate efficiency (economic, social, ecological) of the whole labour potential of the country.*

Key words: education, employment, labor market, knowledge society

Changes in the modern workplaces, brought about by technology, management innovations and increased competition in the global marketplace, have led to many concerns about the adequacy of workforce skills. Therefore in the contemporary society investing in people and skills is essential. One important ingredient of investments in people is considered to be investment in education.

Education consists in that fundamental social process of transmission of life experience to adult generations and of culture to children and youth generations, in order to prepare them for life, for their integration into society. Education is accomplished within the family, but also within an institutional environment (school, church, army, professional associations, sports, etc.). The educational process follows the formation of the human personality and is accomplished at different levels and areas according to the followed objectives.

The contemporary specialists almost from all areas are preoccupied to find some adequate answers regarding the growing role of the education. Most of them reached the conclusion that *there are two motifs which make social sciences to have an interest in education: (a) this is transmitted to the people, through its culture, no matter the practices, customs and manner of thinking; (b) the transmission is made through some institutions, some of them playing a bigger social role.* Of this double process handles the ethnologists and the psychologists, and also the economists and sociologists. The former search and research the individual effects of the transmission of the education, the others of the social context of the functioning of the institutions and the manner in which the education contributes to the cultural progress and to the leap from one civilization to another.

The need for education is real for all categories of people, because, “in the fight for adapting and changing it is necessary first to modify our way of perceiving and of understanding the things from the life we live in. In essence, it is about modelling together, by investing in ourselves, the character and also the entire personality, so that we may accomplish a balanced auto-renewal in the transition process ...”

Under the impact of the explosion of informational technology and the new economy, education suffers significant changes, as it becomes continuous and interactive, and on the other hand supposes the capacity to use efficiently, rapidly and creatively the knowledge, and the available information, easy to access, especially by means of the Internet.

On the other hand it appears the tendency to accentuate the specialization on different domains. The pass from general education to the specialized one does not mean the abandoning of the former. While the

society is encountered in an ongoing change, generating new solicitations towards education means that the man in his turn, is almost seen as a receiver of the learning action.

Thomas Friedman, in his paper *Lexus and the olive*, argued: “the dominant tendency in the universities and thinking factories is oriented towards a specialization more and more narrowed: entering in depth in one single field is more appreciated than the overview over more. But, without having the consciousness of the whole – without feeling that different means for accomplishing our goals or for frustrating us converge – we cannot talk of a strategy. And without a strategy, you can expect nothing else than a drift movement.”

University education is organized around disciplines. However, in university education students acquire not only field-specific knowledge and skills but also general academic knowledge and skills. General academic knowledge and skills are needed to acquire a coherent body of specific-field knowledge. By learning about specific-field knowledge, students also acquire general academic knowledge and skills, which in turn increase the effectiveness of the learning process through which field specific knowledge and skills are acquired. Furthermore, general academic knowledge and skills, but also foster the development of other skills valued in the labor market.

Educational and training have become crucial in the process dedicated to build a Europe of knowledge and a knowledge based society. Many studies have confirmed the importance of investment in education as a determinant of economic growth.

If we look at a sorted list of nations with the highest level of secondary schooling we would notice these to be the richest countries in the world, based on GDP per capita. High rates of education are essential for countries to achieve high levels of economic growth. In theory poor countries should grow faster than rich countries because they can adopt cutting edge technologies already tried and tested by rich countries. But economists argue that if the gap in education between a rich and a poor nation is too large, as is the case between the poorest and the richest nations in the world, the transfer of these technologies that drive economic growth becomes difficult, thus the economies of the world's poorest nations stagnate.

An important motivation for individuals to invest in education is that the acquired knowledge and skills tend to *raise productivity* and hence *earnings potential*. A further important motive behind acquiring more education is to gain a stronger foothold in the labor market and thus *lower the risk of unemployment*. Educated workers are more likely to participate in the labor market and their active working life is generally longer than for those with lower educational attainment. For example, the employment rate by highest level of attained, of EU countries shows this tendency. This indicator is calculated by dividing the number of employed people within age group 25-64 years having attained a specific level of education, by the total population of the same age group. Level is coded according to the International Standard Classification of Education (ISCED, 1997): . Pre-primary, primary and lower secondary education: levels 0-2 . Upper secondary and post-secondary non-tertiary education: levels 3-4 . Tertiary education: levels 5-6. The indicator is based on the EU Labour Force Survey (LFS), covering the entire population living in private households and excluding those in collective households such as boarding houses, halls of residence and hospitals.

Table 1

	1995	2000	2005	2006
<i>EU (27 countries)</i>	...	48.8	47.5	47.8
<i>Germany</i>	45.2	55.3	42.5	44
<i>France</i>	46.2	46.1	48	47.6
<i>Italy</i>	43.3	44.1	46	46.4
<i>Austria</i>	53.3	47.8	47.2	49.6
<i>Hungary</i>	...	29.1	28	27.6
<i>Poland</i>	...	28.1	23	23.3
<i>Romania</i>	...	53.9	39.6	39.6

<i>Bulgaria</i>	...	30.4	29.3	28.9
<i>Finland</i>	43.5	50	45.8	46
<i>Sweden</i>	58.9	55.7	52.5	53.3
<i>Norway</i>	...	60.8	47	55.6

Employment rate, by highest level of education attained (% of age group 25-64 years)
Pre-primary, primary and lower secondary education

Table 2

	1995	2000	2005	2006
<i>EU (27 countries)</i>	...	68.3	68.4	69.3
<i>Germany</i>	69.2	69.9	70.1	71.5
<i>France</i>	67.2	69	69.2	69
<i>Italy</i>	60.7	63.5	66.8	67.9
<i>Austria</i>	74.6	73.7	73.4	74.8
<i>Hungary</i>	66.7	64.9	65.1
<i>Poland</i>	...	62.3	56.7	58.3
<i>Romania</i>	...	68.2	63.8	64.9
<i>Bulgaria</i>	...	59.3	65	68.1
<i>Finland</i>	64.5	72.4	72	72.9
<i>Sweden</i>	77.4	77.5	78.6	79.2
<i>Norway</i>	...	80.6	76.7	79.6

Employment rate, by highest level of education attained (% of age group 25-64 years)
Upper secondary and post secondary non tertiary education

Table 3

	1995	2000	2005	2006
<i>EU (27 countries)</i>	...	82.4	82.7	83.3
<i>Germany</i>	86.3	88.2	86.2	87.1
<i>France</i>	76.9	78.7	78.4	78.7
<i>Italy</i>	80.6	81	78.5	78.2
<i>Austria</i>	88.4	85.8	84.2	85.5
<i>Hungary</i>	...	82	82.5	81.2
<i>Poland</i>	...	83.8	81.1	81.7
<i>Romania</i>	...	83.9	84	86.1
<i>Bulgaria</i>	...	77.4	80.3	82.1
<i>Finland</i>	81.5	84	84.2	85

Sweden	87.6	82.7	86	86.2
Norway	...	87.5	87.5	89

Employment rate, by highest level of education attained (% of age group 25-64 years)

Tertiary education

Source: Sustainable Development Indicators, EUROSTAT, <http://epp.eurostat.ec.europa.eu>

The employment rate, by highest level of education attained is the lowest in the Czech Republic, Poland and is the highest in the Denmark, Iceland, Norway. This indicator has increased in the last years in Romania, but Romania has to follow current European trend, targets. Some studies shows that Romania labor force has lacks in qualification therefore the educational system must be reoriented in concordance with the demands on the work market. On a first view the demands on the work market can be covered through professional and high-school education. Though, beside the general knowledge obtained from the educational system is needed a professional guidance, where the role of the company that benefits of the work resources well qualified is critical. The circumstance of competition and competitiveness determined the companies to really imply in the guidance of their employees.

The influence exerted by the education system over the labor offer does not apply only on qualitative side, especially on its diminishing as a result of the growth of those that are in different preparation forms, but is constitute in one of the most important factors in modeling the labor offer from a qualitative and structural point of view, representing also the place where the option of the young generation for a particular kind of activity is showed.

In present in Romania the work world is pretty inflexible because they still function on the idea that once you graduate a form of education and you are placed in a specific job, that person should not learn or adapt to technical and technological changes for as long as they live. The labor market tendencies show something different. So that as long as they live the persons changes their jobs for at least 2-3 times. The Romanian education should deal with this fundamental issue that is responsible for the good going of the economy in general and of the work market in particular.

Education is the most secure possibility of people to confront with an insecure future. This increases the chances to find a job, but it doesn't mean is a guarantee in fighting with a possible unemployment. If, in the past, a person after having some professional knowledge or some qualification, had gained a job and did not suffer important changes during its active period of work, nowadays to be able to adapt to the new evolutions, the working force should start a professional continue and constant preparation process.

Romania has the highest percentage of early school leavers in the region, with 23% of the population between 18 and 24 leaving all forms of education, and the lowest percentage of life-long training. Expenditure on education is one of the lowest among CEEs countries. Long-term unemployment among recent graduates indicates a mismatch between the skills the education system provides and the labour market demand. The education system is undergoing a comprehensive reform, which has already produced significant changes, especially in compulsory educations. For instance, beside EU countries, Romania is on the last places regarding population with tertiary education per 100 population (11,1% toward 22,8% - EU 25) and percentage of those that are participating in life-long learning per 100 population (1,6% toward 11% - EU 25).

Assuring the professional preparation is a problem that concerns not only companies, employers but also governments. In this way, the state through Ministry of Labor, Social Solidarity and Family had decided to get involved in solution this problem so in National Development Plan from 2007 until 2013, that specify the Romanian domains that need major intervention into the human resources domain, had been elaborated a program that will bring the labor force to the Union standards. The general objective of the program is to develop the human capital, to make the durable adhesion on the labor market of a widely number of person. This can be possible through:

- the growth in education and professional preparation of human fund
- to promote the entrepreneur culture
- to facilitate the access of young people on labor market
- to improve the access on jobs for unemployment people

- the reinsertion on work market of inactive persons including rural areas
- reforms in educational system.

Public financial support for education increases the incentive to invest in education by lowering the cost of investment. Student loans and grants alleviate financing constraints and often involve a significant subsidy element. At the tertiary level, the average subsidy rate ranges from 50 per cent or less in Japan, Korea and the United States, to close to 100 per cent in some European countries such as Austria, Denmark, Iceland, The Netherlands and Switzerland.

This process is possible in time, because the educational system hardly adapts to the market economy realities, its difficulty being a common factor in many economies that are in transition. Moreover, the people can not gather new capacities and knowledge easily. Even if the market asks, it takes time until the workforce can offer them.

So, Romania has to follow current European trend and to take into account the fact that the economy performances and the ability to stand against the international competing pressures are directly related to *the quality of the human factor and to the structural modification of the labour force.*

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