

# ASPECTS OF THE EUROPEAN ECONOMIC CHALLENGE FOR THE ROMANIAN HUMAN CAPITAL. THE CASE OF HIGH EDUCATION SERVICES

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*Abstract: The paper aims at critically analysing components, gains and costs of the economic action in the field of high education. Some cultural and national conditions and determinatives are shown.*

*Starting from some didactic and knowledge principle, analysis is raising questions in the European integrated knowledge based economy, highlighting some actual aspects of the Romanian recently reformed high educational system (in comparison with the usual in Western education). In a correlative approach and in a multi-disciplinary view, special important features of the educational system in the market economy, European challenges and potential effects of some issues are considered, with their impact on our future within the European Union.*

*Interesting and paradox conclusions concerning the natural regulation logics, corruption and lessons for improving the coherence of the reform processes result.*

*Key words: education, market economy, principles, corruption*

## **1. Some introductive (principia) differences**

The human principles, the high intellectual, spiritual and artistic search, the social relations, the effects for the environment etc. are the most important for science and knowledge. They make the difference between human people, as humans, and the other creatures. Even in that what concerns the activities for accomplishing the needs (named economic activities), they represent the main difference between the economy of the human society (developed by humans), on the one hand, and the economy that a lot of animal species are developing, on the other hand [6]; this could be a mean for keeping us as *humans* and for the goal of rising our individuals upper than the animal status: it should be done not just by techniques applied, but rather by the purposes they have in view and by the real humanism they should keep in mind and prove, *by* and *to* maintaining and encouraging the fundamental superiority of mankind inside the living kingdoms of the planet. In this area we can observe that, from its beginnings and through the times, mankind carried a permanent fight between humanism, moral, law, on one hand and instincts, animal bents and passions, on the other hand.

The economy and economics is the single field that still is founding, also today, on hedonistic reasons, on the cult of primordial or degrading bents, on stimulating to the instinctual level or to under-conscious (and not mostly by conscious or intellectual). This state of economic conception still let the “market moral” to be promoted and generalising, even if the service society already created the conditions for re-coming to the adequate performing, to service for other people and for the whole environment (including society and nature). We called it [1] “the coming back to the genuine invisible hand”.

## **2. Most principles for the human capital forming**

In actual knowledge society, the issue of economic education is more important than never, but professional-economic elements remain the most easy to teach and to learn: that is because they are consistent rather to that what any living creature on the earth learns: they are in our instincts and need no special educative intervention: education in their direction does not need special efforts from individuals, being on a most „natural” line, from the point of view of the millenniums of surviving on this planet; *special orientations and transformations of the human being are not necessary*, because they are not mostly related to cultivation and to human personality development, but rather to *surviving*. But for human people, the human superior ones are essential, defining for our species (human type, by difference with other creatures).

Strictly speaking, the mercantile value is not a *human* value (at least it is not at all the most important human value; ancient Christianity even considered it a counter-value): it is just a tool for managing resources, in the purpose of more efficiently creating welfare and as a condition for the existing and developing high-level human spirituality. But today, in globalization, humanity and spirituality risk to lose high values because of overestimating economic principles in the detriment of other higher human principles (including moral).

In the tradition of civilization, education consists in seven main components [2]:

- a) moral, social living principles, law;
- b) spirit and spiritual-intellectual faculties development (including memory, logics);
- c) formation of artistic, sensible and soul values perception;
- d) sharing from the most human accumulations (culture in general, but also other aspects of spirituality, religious);
- e) didactic principles (for learning *further*);
- f) scientific principles, science laws etc.;
- g) principles and professional and speciality details, in the purpose of future practical utility, necessary for *economic* work of individuals (for gaining their staff for living).

Instincts, economic reasons and material interests tend to make the “money interest ethics” overwhelming. That is why humanity must mostly bank on intellectual activities rather than on money: they can produce also money, but they also can keep us human and they are our chance of re-coming to a genuine “normal” way of living and of making business, our chance of growing our superiority, and like a chance for maintaining humanity in a superior rising trend. We should adapt to the most recent developments of natural sciences and go further from the obsolete approach of economics on the industrialist bases.

The care for young people education was mostly for cultivating the qualities that put and keep them over the animal kingdom (and not firstly the last ones). Even in the modern times of market culture, teaching should contain all the components, in different proportions, by its nature, level and speciality, it should not be partial, simplistic or conducting young people to perceptions that could badly make them not human (non-superior) beings.

The above mentioned educational principles are defining the role and message of education. *In the purpose of keeping formation a **human** one, people should care for principles, should **guard and treasure** them:* mostly against of the market culture and “moral”. In the purpose of not jeopardizing the humanity’s chances of having a really *human* future, the human being must not be reduced to just some of its less noble features and components.

### 3. The economic challenge

In theory, the market competition is usually approached like a fair play, by individual quality. Accordingly to such principles, in the market functional economies, the best ones are usually the best paid. Having bigger financial power than the public institutions (based on funds collected from the tax payers) and well paying, private teaching institutions gain the best teachers and have the most performing teaching tools. Image and fame of teaching institutions is consistent with this same hierarchy (in the favour of the private ones). In Romania, wages differences between private and state teaching were not so big after 1989: they could not counteract the image; and this is plainly in the favour of those having tradition – the state ones. Like railways and other big investments, national teaching organisation and expenses were made, in modern Romania, at the initiative and by the state: business-men preferred quick profits and not “national charity work”... (mostly if they are not extremely powerful from financial point of view).

Unfortunately, in the poorest countries, the economy is not ‘suitable’ to the education and instruction. In Romania, for instance, this last one, which was very performing in the last century, in the last decade is not anymore: the “disagreement” between the high level of the teaching system and our doubtful economy of the last decades gave win to the underdevelopment level...

After 1989, private teaching institutes are some too seldom big business: just a way for living of mostly little enterprisers. Most of them are organized at university level, addressing to clients having already their own incomes (and less to those supported by their parents). Those clients are business-men themselves, thinking practically, materialistically, like in business. Therefore, if they pay, they want to buy something

concretely: such individuals (honest buyers on the market) rather do not imagine to give money for watching some theoretical considerations of some “philosopher” of university professors; but they want to get a diploma by their money; because they do not think philosophically or at elevate intellectual principles level (that is what they are interested in, not in knowledge itself). Those preferences from the demand side may be generated by the market itself: because market economy reality are proving such a scale of values in what, too frequently, competition mechanisms (life fight) bring success for those having less or no real intrinsic value; and too often dissatisfactions, non-achievements, drawbacks, helplessness and problems are for some most hardworking, intelligent and cultivated ones. A university teacher may loose his or her job to a private university if keeps high professional exigency: market demand is ruling and such behaviour can make the institution loose its students (customers).

Thus, market principles go to extreme in Romanian education, clients often having the conception that they buy not immaterial highly intellect-intensive services, but very material diplomas: they demand materialization, they request not “talking” in courses, but exams promotion and faculty graduating: concretely, thy want the piece of paper on what is written “economist” or, generally, “bachelor”. This is our market. And there where there-is private system, market works in priority to any supposed principles or imposed regulations: everything is sold and everything can be bought. We made some research and developments concerning corrupting, seducing, bribing, suborning etc. in resulting (we have not here the space for developing the matter., but we can say that even corruption can be thus also better understood) [3, 5 and others].

Unfortunately, from here results the inferior level of a big part of our private teaching; mechanisms of the same type – market mechanisms – can give high level quality, like in occidental teaching, but also the just mentioned under-level, like it happens sometimes to us. Worst is the fact that, by market competition, also the state teaching institutes, focusing on market demand and following this very demand, must supply that what is requested by the clients who pay; therefore they must diminish standards, they also and the general intellectual level of education. By this working and behaviour, a big number of candidates are admitted and promoted, and they are “graduating” most of them”. If state teaching institutions do not make it, private ones will gain the plus of potential costumers, because if there-is a market demand, entrepreneurs will always be to get it.

The propensity to not learning in market economy (mostly in the far developed ones) is a paradox of education: the market system of reward gives incentives for *economic activities*, but not for *learning at high levels*. It means that the returns of the high level human capital are the diminishing returns of intellectual efforts in the market system, more diminishing than the returns of the material (physical and money) capital and of the medium qualified labour. Just less qualified labour “gain” less returns, but this problem is solved in the most advanced economies, by importing foreign labour from less rich countries. The extension of the market beyond economic limits, even over the teaching system, is shown by the (new) hierarchies into this system: they are often made by market criteria, the business-men are most successful (in obtaining incomes, but also in gaining university titles, in appropriating didactic and administrative functions and positions in managing educational institutions), than the real professionals of the field of science and education. Those last ones rather remain to their scientific research and high level didactic courses, but the first ones are assimilating the powers and leading of those organisations and institutions and thus are obtaining the best work conditions, are gaining the titles and image and have the best wages, get the paid contracts (grants) and develop their private connections.

Also, the university research tends to diminish its level: grants are given for services and activities at the usual level of the industrial manufacturing enterprises; but the high level research is not appreciated enough anymore: the recent market system and the system of gaining grants are not rewarding enough such projects, but rather some not that profound (the short run most directly applicative ones are preferred). *The highest level* ones remain unpaid and, as a result, they *are diminishing* and the best high specialists are *diminishing* their *qualification levels* or they are *living Romania*, trying to valorise themselves elsewhere.

#### **4. Some conclusive issues**

Ian Brinkley put in 2006 (in the paper “Defining The Knowledge Economy”) the question: “If knowledge economy is so economically important as it is supposed to be, why did we see until now such a little impact on growing productivity performance”. The answer to that question is: because the effects are on long run, and because we should not expect just (or mainly) short term effects: the impact is much more profound

and extended than the narrow productivity question. It is enough to think of servicity for enlarging our horizon of understanding. In just a few pages it is impossible to really well prepare and even to well enough present conclusions. Despite the efforts of limiting our expose, they still can be underlined some of the most important issues:

Without doubt, *economy* in our days means *market*: market rations and interests, market rules, material principles and even market moral. All those are - at least beginning with 1990 - included in our economy, in our society, in our lives, in the Romanian educational system itself too. But despite this reality, the word *European* has a lot of meanings (and this one was not changed in 1989; even if in the last time the European authorities pointed out and underlined some features that make us – and also our economies – different from the most marketed one, like the American one, for instance: even if we speak about economy, the sense of the word *European* makes the economy not to be reduced to the restricted (narrow) economic meaning; but it involves a larger horizon, pluri- and inter-disciplinarity and makes our (European) economy to include also the care for the environment, and especially for the nature, the interest for the equilibrium, including the equilibrium between solving the developing problems (of the most poor people - and nations, on a larger scale) and the care for the future generation: the care for the poorness problem is a special challenge for knowledge in modern world, thus knowledge is no more reduced to most direct short run material individual interests, but may give us all its valences; in this approach, the core of the economy meaning *knowledge based economy* is much rich.

That is why forming human capital means not just making most productive “human machines”, but educating means also how we (teachers) are forming young generations of humans: and not just from the cold strictly scientifically point of view, but also from the angle of moral, of principles that we are inoculating in their souls or what we are proving our selves to them to be applied in their life and practice: we are not just saying, but proving them day by day, by our behaviour and own direct and implicit example. We must prove about noble and chivalrous behaviour, about merits, like from the antic Chinese meritocracy, about the difference between honour and bribery, about moral, humanism and high intellectualism.

Agreeing with Manoilescu, we mean that the high quality of the economic activity is not given mainly by how much it can buy. It should be better by science, management, innovation and the new technology it invents (please see the concept of *servicity* in [6] and others). Human capital must be better created in the ethical ground of the market system *based on the law state*: it means people to apply accurately that what they learned; we need not “paper graduating”, but real professional specialists, who use their scientifically skills and who really want to put it in practice, not to let it in a “formal land”, else than the real world of work. We should be against abdication from noble principles of high intellectual spheres, in the favour of racketeer’s speculation.

We do not speak about ignoring the commercial principle as a whole (including the honest fair way) but it must be done at high and professional (not mean petty) level, in a dignified manner, without rebate from the status of science, professional high competence, excellence and unchallenged integrity. Basing education on more efficient and solidier sounder fundamentals must not be substituted by leaving it without economic support or to some inexpert-in-spiritual-field-businessmen’s will, neither conceptually, nor in practice. Teaching must bring to the individuals and to the human society the human capital they need. This is in the favour of the economy. But formation should bring not just the skills needed by business, but should go to the essence of this capital of mankind.

In the knowledge society, the economy itself should not be a battle, a war, a destructing (or, at least, an isolating) confrontation or fighting competition, but an orchestra, a constructive common effort in the purpose of the wanted well being. It can be better realised by using well distributed functions and roles (and, of course, stimulating methods, including the market mechanisms). The well being should be conceived from the very beginning - and mostly realised - *for all*, for everyone *through all*, *by the well being of the human society* as a whole, well used; and it should not be for one *from* or *in the detriment of* the others, of the future and of the planet; the market should not be conceived and used like a destructive rivalry, but rather like a fair and constructive competition.

The economy and formation should create a potential being adequate to the people culture, not by marginalizing the own culture of the nation, because by this mean people became culturally marginalized from the very beginning and by definition, transforming the nation in the periphery of other the dominating nations or companies, also from the cultural point of view, not just from the economic point of view. In any

decision, the whole society counts, not just the economy. The priorities we mentioned in the matter of knowledge theory are sustaining the profound scientific basis of the knowledge concepts in economy an in society as a whole (with accent on the formation role): in a correlative approach, reference should be made to main role of education in humanity (including the economy – if its basing on knowledge is actually and essentially considered).

Hedonism stops to be the main criteria for the most elevated and cultivated people, keeping this role just for those who obeyed or surrender to the instinctual attractions and primarily motivations.

The teaching centres which respect themselves (and what do not abandon themselves to the passing worldly values of the market) actually have the mission and task to conserve the true values of humanity and to promote them. They must be saved especially from the aggressiveness of the expansion of the economic ideology and moral in all the areas of mankind life; including in spirituality.

In any case, the economic must stay remaining at its level of mean (way) for sustaining and developing humanity, and not transform itself from tool in purpose (goal), because it corrupts the human nature, taking it down to actions and features perverse for itself: not just pure selfish, not only un-human, but anti-humanistic too. Else, in a country like Romania, the total subordination of superior areas – like health and education - to the economic, putting them at the back and call of business, would mean taking them down to the same underdevelopment like in the economic sphere. This could not be in the benefit of the best integration and coordination into the UE community.

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