

# CONSIDERATIONS REGARDING ROMANIAN HIGHER EDUCATION GRADUATES

**Popovici (Barbulescu) Adina**

*West University of Timisoara Faculty of Economics and Business Administration*

*The paper aims at analyzing the dynamics of in Romanian higher education graduates in the 2006-2010 period, both in Romania and by the Romanian development regions.*

*After highlighting the importance of human capital and its education, the paper analyzes the dynamics of Romanian higher education graduates in the targeted period, at both of the above-mentioned levels.*

*The conclusions reveal that, during the analysed period: 2006-2010, the number of female, and, respectively, male higher education graduates, as well as the total number of higher education graduates, continuously increased in the 2006-2010 period at the whole country level and registered an increase trend, as well, by the eight development regions of Romania in the 2006-2010 period, with very few exceptions in some years of the period, in some of the the eight development regions of Romania.*

*Therefore, the Romanian higher education system must correlate the graduates number with the number of work places in the Romanian economy, and take into account the necessities imposed by the participation at international competition.*

*Key words: knowledge-based society, economic growth, human capital, education, higher education graduates*

*JEL Classification: I21, I23, I25, J60*

## **1. Introduction**

Throughout the modern history, all countries of the world have been focused on economic development. Contemporary world comes back to the real purpose of economics, the human being, assuring his welfare and security, both at individual and social level. Thus, it appears on the ideas level a new conceptual paradigm, that of human development, which accompanies and motivates the economic one. This new paradigm has obviously not manifested itself instantaneously, but has developed as a slow, difficult and deliberate process. The rapid rhythm of changes has convinced both the business people community, and the nations, that labour force flexibilization is necessary. Each sector of activity, including the agricultural one, needs a permanent qualification up-date, combined with the accumulation of action knowledge and competencies. This irreversible trend represents a proof of the increasing importance of some “intangible” points in the investments field – such as education – while the effects of the “intelligent revolution” are being felt. In this case, investment in education becomes a strategic investment (Popovici 2011: 193). As Jacques Delors, the president of the International Commission for Education states: “*In the 21st century, educational systems must educate in an innovating spirit, promote the capacity of evolution, adaptation to a fast changing world, that each individual should be capable of assimilating*” (Ciobanu 2003: 15).

## **2. The Importance of Investments in Education and Health**

Human capital consists in those people’s skills, which are characteristic to them and remain the same in any social environment and can be used on the labour market, in exchange for economic resources of any type. Practically, *the human capital* is composed of:

- *the educational capital*, represented by the skills acquired by individuals during and outside the education process, and
- *the biological capital*, represented by the individuals’ physical skills, the most often synthesized by their health state.

Human capital has developed itself as a concept in economy, where it is mainly regarded as “estimation of a person’s ability to produce income by labour”.

The human capital treatment as investment has generally imposed itself; the abilities human capital is composed of could practically be used anytime, in function of the social and economic environment, in which individuals could place themselves at a certain moment. More, this investment is continuous, aiming either the development (the perfecting courses or continuous education, for instance), either the maintenance of the capital stock (periodical medical consultancies, for instance) (Cismas and Popovici 2011: 57).

The importance of education and health for the economic growth and development is due to the returns from investments in the two variables. These are two forms of human capital, the improvement of which should enhance worker’s productivity. Several studies show that better health, special early in life, is associated with higher educational attainment. Conti et al. (2010) argue that more educated individuals, in turn, have better health later in life and better market prospects. According to the authors, education has an important causal effect in explaining differences in many adult outcomes and health behaviours (Conti, Heckman and Urzua: 2010; Carlei et al. 2011: 174).

Economic growth during the transition period had a particular pattern in CEEC. Capital has provided a certain positive contribution to growth, while labour had a small or even negative contribution (IMF, 2006). In this respect, CEEC stand out among other emerging countries, where labour input has typically contributed substantially to growth. Most of the growth during the transition period was actually accounted by the increase in total factor productivity (TFP). Even though the classical source of TFP growth is technical progress and innovation, growth during transition was mostly explained by efficiency improvements in the use of capital and labour (Havrylyshyn, 2001; Jude and Pop Silaghi 2011: 72).

Starting in the late nineties, CEEC experienced a return to the classical factors determining growth, with an increase importance for innovation and technical progress. Once the transition period completed, the growth process in CEEC should be sustained by factors like capital intensity, innovation, human capital and competition (OECD, 2003; Jude and Pop Silaghi 2011: 72).

### **3. Romanian Higher Education Graduates in Figures in the 2006-2010 Period**

Professional insertion of young people has lately become, both in Romania and in the European Union, a difficult process, which requires an increasing period of time from the moment of finalizing the last form of education, until the moment of finding a work place (Popovici 2011: 194).

Today exist in the world about a billion young people with the age ranging between 15 and 24 years old, 85% of them living in developing countries. The participation rate on the labour market among young people has decreased at a world level from 59.3% to 54.4% during 2004-2010, mainly because of the prolonging of studies among young people. In the European Union currently live about 62 million young people, which represent 12.7% from the total population. According to the data supplied by the National Institute of Statistics, there is a decreasing trend with regard to the evolution of young population until 2025. This evolution may be explained by the decrease in the birth rate, the increase of the period and level of education, the social mobility, women’s emancipation (Popovici 2011: 194).

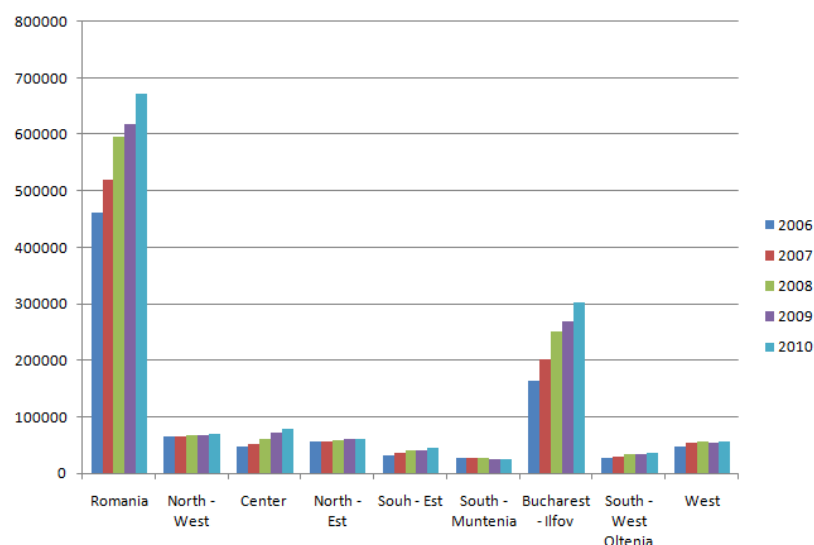
The statistical data show that Romania, like other EU countries, faces a major problem of the labour market, i.e. young people unemployment. The unemployment rate among young people is three times higher than the average rate (20.8% as compared to 6.9% in 2009). The high level of employment among young people should be an important reason in applying some active policies that should aim at this vulnerable category. Within this group of unemployed people we usually find people who are not involved in training activities, graduates from high school, occupational schools, as well as graduates from university immediately after graduation (Herman and Dalalau 2011: 343).

Romanian Development Regions have no legal personality, being not subject to administrative law, but the result of concentration achieved at intercounty level, corresponding to NUTS II division of the European Union. By agreement of the local councils and county councils four macroeconomic development regions have resulted, in conformity with NUTS I division of the EU, each of them being composed of two regions, so there are 8 development regions across the country. The main objective for establishing these regions is to access EU funds in a unified manner and to achieve an integrated development of infrastructure projects at regional level (Avram and Pociovalisteanu 2011: 46).

**Table 1. The Number of Female Graduates in Romania and by the Romanian Development Regions in the 2006-2010 Period.**

| Region / Year              | 2006   | 2007   | 2008   | 2009   | 2010   |
|----------------------------|--------|--------|--------|--------|--------|
| <b>Romania</b>             | 462740 | 520709 | 595369 | 618096 | 671696 |
| <b>North - West</b>        | 64550  | 64878  | 68135  | 66455  | 68669  |
| <b>Center</b>              | 46437  | 52520  | 61510  | 71187  | 79011  |
| <b>North - Est</b>         | 54977  | 57101  | 58522  | 59492  | 61489  |
| <b>Souh - Est</b>          | 31246  | 35079  | 40166  | 40853  | 43893  |
| <b>South - Muntenia</b>    | 26131  | 26351  | 26726  | 23882  | 23976  |
| <b>Bucharest - Ilfov</b>   | 164690 | 202755 | 252017 | 269718 | 303330 |
| <b>South -West Oltenia</b> | 26986  | 28897  | 33235  | 32637  | 34783  |
| <b>West</b>                | 47723  | 53128  | 55058  | 53872  | 56546  |

Source: Eurostat



**Figure 1. The Number of Female Graduates in Romania and by the Romanian Development Regions in the 2006-2010 Period.**

Source: Eurostat

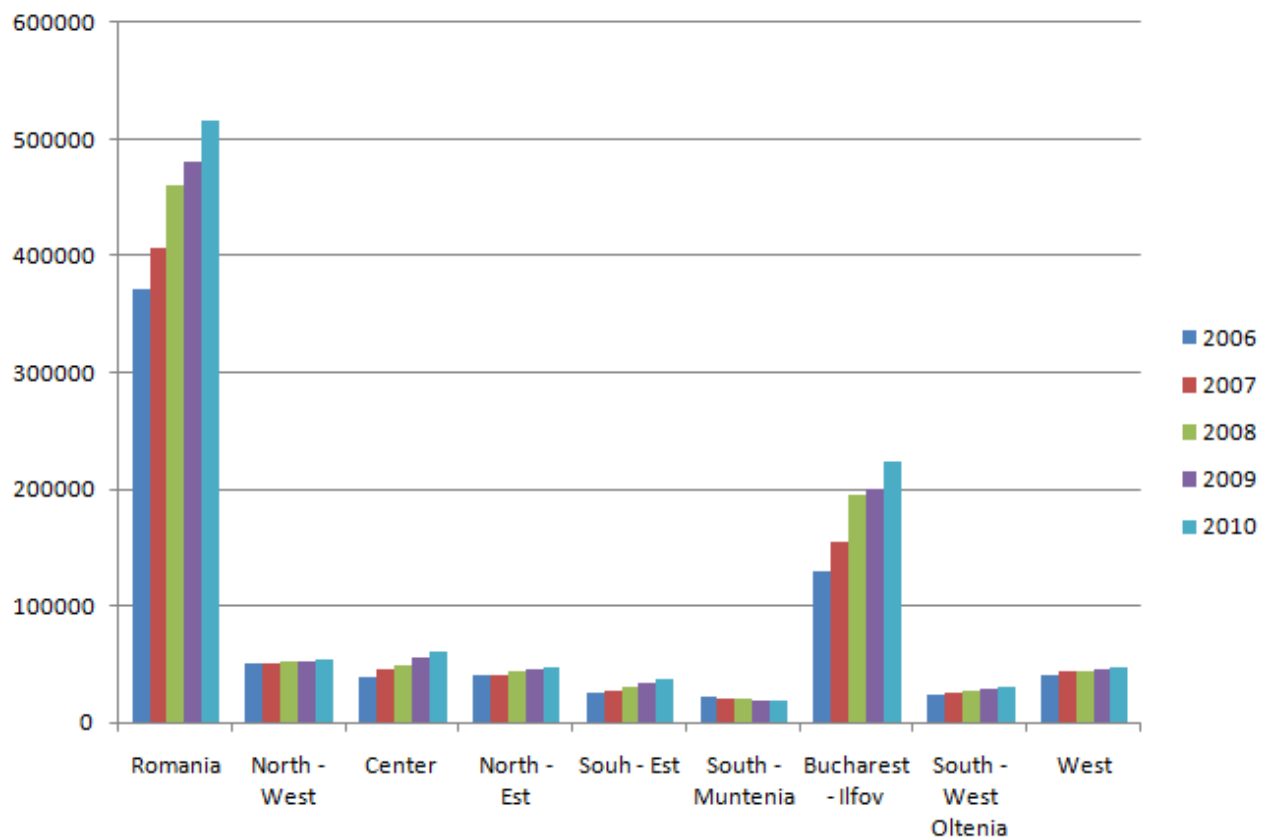
As Table 1 and Fig. 1 show, the number of female graduates:

- continuously increased in the 2006-2010 period at the whole country level;
- registered an increase trend, as well, by the eight development regions of Romania in the 2006-2010 period (with very few exceptions in some years of the period, in some of the the eight development regions of Romania).

**Table 2. The Number of Male Graduates in Romania and by the Romanian Development Regions in the 2006-2010 Period.**

| Region / Year              | 2006   | 2007   | 2008   | 2009   | 2010   |
|----------------------------|--------|--------|--------|--------|--------|
| <b>Romania</b>             | 372229 | 407466 | 461253 | 480092 | 516337 |
| <b>North - West</b>        | 51208  | 51199  | 52130  | 52344  | 53310  |
| <b>Center</b>              | 39181  | 44759  | 48399  | 54690  | 59704  |
| <b>North - Est</b>         | 40125  | 40836  | 43472  | 45005  | 46490  |
| <b>Souh - Est</b>          | 25887  | 27570  | 30816  | 34096  | 36787  |
| <b>South - Muntenia</b>    | 21852  | 19855  | 19895  | 19260  | 18990  |
| <b>Bucharest - Ilfov</b>   | 129171 | 154886 | 194964 | 200382 | 223499 |
| <b>South -West Oltenia</b> | 23751  | 24805  | 27629  | 28271  | 29899  |
| <b>West</b>                | 41054  | 43556  | 43948  | 46044  | 47656  |

Source: Eurostat



**Figure 2. The Number of Male Graduates in Romania and by the Romanian Development Regions in the 2006-2010 Period.**

Source: Eurostat

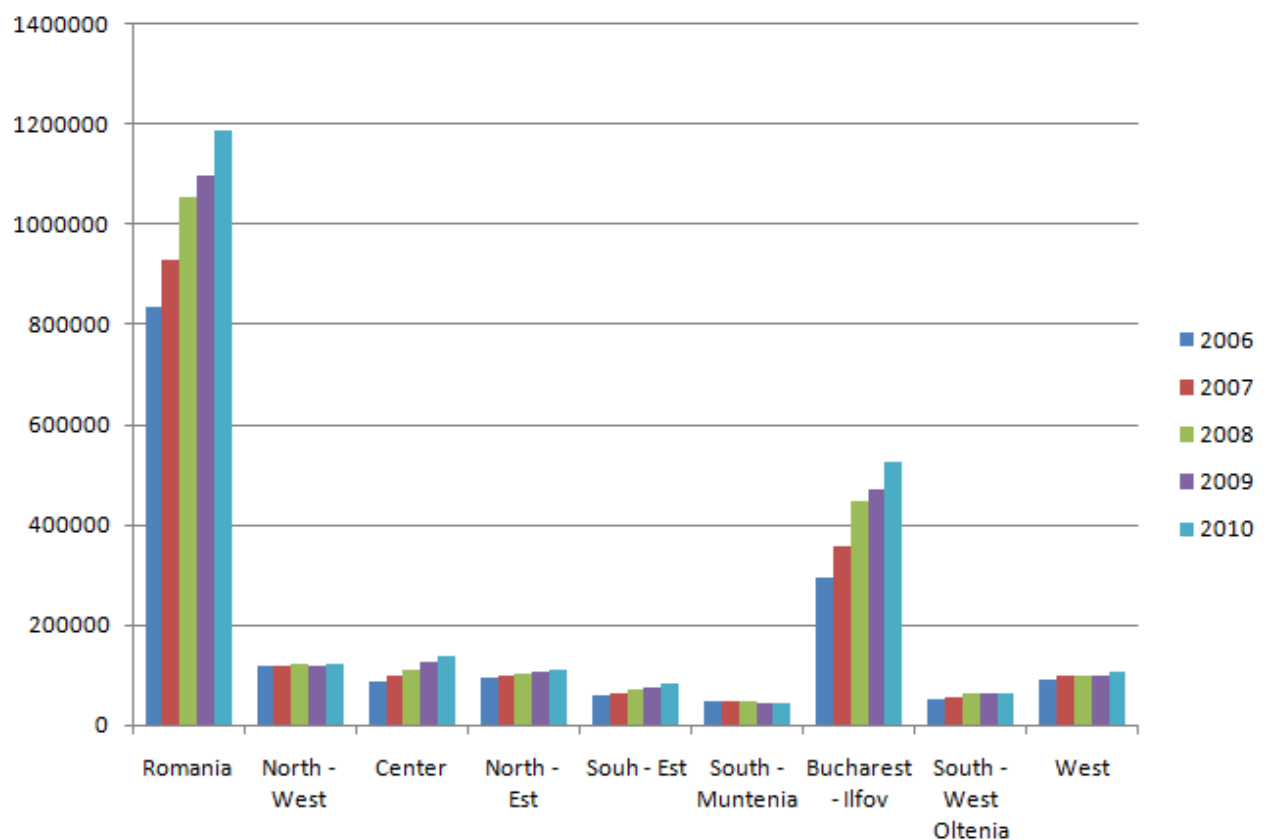
As revealed by Table 2 and Fig. 2, the number of male graduates:

- continuously increased in the 2006-2010 period at the whole country level;
- registered an increase trend, as well, by the eight development regions of Romania in the 2006-2010 period (with very few exceptions in some years of the period, in some of the the eight development regions of Romania).

**Table 3. The Total Number of Graduates in Romania and by the Romanian Development Regions in the 2006-2010 Period in Romania.**

| Region / Year              | 2006   | 2007   | 2008    | 2009    | 2010    |
|----------------------------|--------|--------|---------|---------|---------|
| <b>Romania</b>             | 834969 | 928175 | 1056622 | 1098188 | 1188033 |
| <b>North - West</b>        | 115758 | 116077 | 120265  | 118799  | 121979  |
| <b>Center</b>              | 85618  | 97279  | 109909  | 125877  | 138714  |
| <b>North - Est</b>         | 95102  | 97937  | 101994  | 104497  | 107979  |
| <b>Souh - Est</b>          | 57133  | 62649  | 70982   | 74949   | 80680   |
| <b>South - Muntenia</b>    | 47983  | 46206  | 46621   | 43142   | 42966   |
| <b>Bucharest - Ilfov</b>   | 293861 | 357641 | 446981  | 470100  | 526829  |
| <b>South -West Oltenia</b> | 50737  | 53702  | 60864   | 60908   | 64681   |
| <b>West</b>                | 88777  | 96684  | 99006   | 99916   | 104202  |

Source: Eurostat



**Figure 3. The Total Number of Graduates in Romania and by the Romanian Development Regions in the 2006-2010 Period in Romania.**

Source: Eurostat

As Table 3 and Fig. 3 highlight, the total number of graduates:

- continuously increased in the 2006-2010 period at the whole country level;
- registered an increase trend, as well, by the eight development regions of Romania in the 2006-2010 period (with very few exceptions in some years of the period, in some of the the eight development regions of Romania).

#### 4. Conclusions

The conclusions reveal that, during the analysed period: 2006-2010, the number of female, and, respectively, male higher education graduates, as well as the total number of higher education graduates, continuously increased in the 2006-2010 period at the whole country level and registered an increase trend, as well, by the eight development regions of Romania in the 2006-2010 period, with very few exceptions in some years of the period, in some of the the eight development regions of Romania.

Therefore, the Romanian higher education system must correlate the graduates number with the number of work places in the Romanian economy, and take into account the necessities imposed by the participation at international competition.

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