

EXPENDITURES FOR EDUCATION IN ROMANIA

Summary

The education is a complex concept, with multiple dimensions and valences, that interferes all structures of life or of human society, irrespective of their analysis perspective. For this reason, education was approached in every significant moment of human evolution for almost the entire system of sciences established and validated in time. Economic sciences introduced though later education among their major concerns due to the dominant perception upon them. Therefore, analyzing and research educational phenomenon from the point of view of the object of study specific economics still exhibit a certain degree of restraint or curiosity, with all the economic and practice theory progress. In our opinion, however, the education is an approach best suited many, inter and transdisciplinary, as evidenced by the wide range of concerns and positions of those who have turned their attention to it. Education has occupied and occupies, always and everywhere, the central place in human form, newest human and intellectual capital.

The analysis of expenditure on education in a doctoral thesis in the field of Finance is at once actual and necessary. The reasoning behind the statements we invoke, without considering that the list is exhaustive, the following: a) the complexity of monetary financing or support of education expenditure in a manner that would ensure the ability to respond to the modern democratic societies, but especially of the future based on new economy companies; b) indestructible interdependencies between demographic trends and economic and social development in that demographic processes underlying the development said, and this has serious implications on the evolution of demographic phenomena, including in terms of generating necessary resources reproduction of the latter to the requirements of the era that we live and especially the era following; c) meaning of the concept "human capital" (education, intellectual), derived from the concept of "capital" that is centered contemporary developments for sustainable human development, and d) significance for Romania, investment in education and human capital. The phrase "education expenses" is, therefore, much more than a simple allocation of financial resources, whether they come from public or private funds.

As a result, the aim of our study is to identify the defining components of a system of monetary support (financing) education policies, in the case of the educational, but not only, to respond simultaneously to several imperatives, between which we remind those of a democratic society performance, of a society of the future based on a reinforced economic knowledge, the full integration of Romania into the European Union structures as key step for enrollment beneficial the processes of globalization and ongoing globalization. The motivation of assuming such a task are the findings of empirical analysis of actual expenditures for education in post-revolutionary Romania.

I appreciated that the proposed target can be achieved by achieving some subsidiaries without the list to be closed as follows: a) more realistic outlining the economic and social context which circumscribes the research, namely the location of human resources, human capital and education equation progress; b) the formulation of some prolegomene of education and financing related costs, highlighted by a socio-historical retrospective brief on education, learning connections economy competitive and comparative analysis of current supportive monetary systems (financing) university education; c) identification of vectors of systems for financing the costs of education in a democratic society based on competitive economy, but starting from the hypothesis that it is the right of every state to choose formulas (scaffolds) for funding education expenditure which they consider most corresponding to its actual needs and possibilities, in line with economic and social system and political ideology has adopted, but without losing sight of its membership of the world community to the problems facing it; d)

dissemination of major trends that are emerging in the EU and they promote European educational model; e) highlighting the main arguments justifying funding from public and private sources of funding education expenditure (education) and f) clarify some issues regarding the nature and cost for education and spending for education.

Fulfillment of purpose and objectives subsidiary is subject, in our opinion, the adoption of appropriate research methodologies. I started with the fact that education phenomenon, namely education, thus supporting cash related expenses, is extremely complex in terms of its implications and how to address. Every aspect of this complexity, whatever analysis perspective, is strapped for cash. It is, on the one hand, that education (education) needs money, and secondly, that education (education) generates cash income and other for the individual and for the community. The two issues are interrelated in a society based on competitive economy based on private property, meaning that there must be a certain harmony between the contribution of education to economic and social development and the need to benefit from this development imputed aggregate product.

As a result, we proceeded to the dissemination of general implications for education in sustainable human development, as they result from the literature. From their analysis we made several axes coordinator of a system of financing education common to all democratic states contemporary, starting from a basic principle of democracy, namely the choice and the specific elements of financing educational policies in Romania, which is in accordance with the quality of member state of the European Union and its concerns for the adoption and adaptation of European education model. I highlighted afterwards concrete sources of financing education (education) in Romania, under the laws in force compared to those operating in Europe.

All the above involved a conceptual and methodological documentation laborious work done by investigating a suitable volume of papers, theoretical, but also empirical interference. The practical implementation is based on processing a certain amount of statistical information. We combined thus two basic types of analysis (Research) economic, ie the theoretical analysis and empirical analysis. In other news, I printed a systemic character research, using a broader view, considering modern precepts of contemporary welfare economics (education is one of the determinants of wellbeing), consumption behaviors, deregulation, the pricing of services, but also prospective, consistent with trends in the world (globalization and globalization are irreversible processes which Romania can not be evading) and programmatic objectives of the EU in education and training. I combined thus positive analysis with normative analysis. We considered in this context, the necessity and usefulness of the analysis in terms of permanent blending contextual, participatory, with predictive analysis. This is because the lessons of the past, the history of funding education expenditure, although extremely useful not sufficient and also because the phenomenon (system process) funding education expenditure is tied to financing other components of economic and social life. On the other hand, it is time for people to learn the lessons of the past, which is impossible without thinking retrospective and prospective. In this study prevail also qualitative analysis.

It is certain that all forms (ways) of funding education expenditure (education), relative to the values of a past and present, have good parts and weaknesses; the good must be taken creative (innovative) and recovered further and deficiencies must be eliminated, possibly corrected. It is an indisputable fact that, in principle, developed countries with greater financial resources were performing education systems, but that does not mean that they have attained perfection - there are enough things in place in these countries in connection with the financing costs associated with education, so these formulas can be a guide for other countries, a standard to follow him, but not a normative best determined on bases strictly scientific achievement after which everything is solved. There is not, in our opinion, the pinnacle of perfection nor setting a binding of gross domestic product or national income spent on education (education), although it is a step towards better, because such

macroeconomic aggregates, total and resident, and school population are highly differentiated, so that quota does not provide any indication of the balance of monetary resources, especially those of a financial nature of the state, forms and degrees of chain education (education) or categories of population constituted by various criteria. World states can accomplish the established objectives with different rates of GDP allocated to education. We must not forget that the future society to which the present education system is more a virtual society, the result of forward-thinking, so that funding education expenditure can not ignore such a way of thinking.

To demonstrate the need and usefulness of the topics addressed, achieving goals and objectives subsidiaries and operationalization of research methodology adopted thesis is divided into four chapters, each containing specific, but converging together. Their theme is interconnected.

Chapter 1, entitled „CONTEXT OF SOCIAL AND ECONOMIC STATUS OF ANALYTICAL THEORY: HUMAN RESOURCE, AND EDUCATION IN HUMAN CAPITAL EQUATION CONTEMPORARY PROGRESS” refers to the relationship between human resources and economic and social progress, human capital as an expression of the high quality of work force because of education, development through education in a social system based on competitive economy and democratic political regime, the significance of education and investment in human capital for Romania, but also in a series of prolegomena of funding education expenditure in society and competitive economy based on rule of law. We analyzed a number of issues, which I formulated on the conclusions of which are retained appreciate that in particular the following: the existence and evolution of human society focus on the concept of contemporary capital, one of the most complex concepts in a categorical system of economics, generating potential and actual controversies and disagreements, because of its polymorphic in modern economies based on markets (imperfect) competitive, its central role in understanding economic dynamics and diversity of its approaches; mutual inter-relationships between growth (development) economic basically economic and social progress in its entirety, and the active population, in support of employment, of human resources, bearing human capital, human capital education (intellectual); evidence that the work has been and remains active and productive factor determining the essential condition of the existence and evolution of human society - work is (of course not alone) inputs that create derivatives work involves other factors, combine them and use them effectively; transforming the human condition, which involves human capital, effective factor of economic growth, development, sustainable development, sustainable, of social progress through a complex process managed by human reason and will, incorporating education and life experience of the generations that exist and succeed in a particular natural and social environment, constantly confronted with limited means available to achieve predetermined goals; incorporating education and life experience of the generations that exist and succeed in a particular natural and social environment, constantly confronted with limited means available to achieve predetermined goals, unequivocal nature of the relationship between human resource, human capital and economic growth or social progress in the sense that it runs and from economic and social progress toward the human condition; direct effects of education on consumption and saving, in addition to the indirect effect via income; conditions for education to become truly effective in Romania are considering the extent to which they are implemented and offensive structures manifests competitive market really works and is supported at government level free enterprise, decentralization and functional autonomy of decision-making for operators moving from stage to operationalize effective options; various reactions of European states faced with the need to rethink and transform structures of government educational institutions (higher), in the context of rapid changes in society and its links with education, especially higher education (university degree); imposition relationship between labor and knowledge as a focal point of analysis in the new economy in building and strengthening in Romania, because the accumulation of capital in the classic, traditional, alone

is insufficient to ensure the maintenance of lasting economic growth due decreasing returns this specific production factor; the social nature of the function of education, because man himself is largely a social product, meant to live in society; the close relationship between education and training (education) given that each nation retains its own identity; common definition of education as learning and accumulation of knowledge, cognitive ability and skill in solving problems in a formal educational system or from other experiences; need, in the context of globalization of markets and technical and technological revolutions that transformed the economy and modern society in what is called, among other things, the economy and society of knowledge or information, the business world is governed by new ways of organizing and working requesting the accelerated development of skills, sound knowledge and increasing responsibility, educational systems, to propose the formation of people able to learn by itself and thus contribute to the development of its own powers under independent and responsible attitudes; profound transformations, quantitative and qualitative, that marked the European university systems in the past five decades, resulting in massive increase in the number of students in higher education transformation elites in mass education, with differences from country to country; concern to ensure a greater share of private funds to finance the expenditure on higher education perceived as a natural consequence for reasons of an economic, but also of the conviction that the market is a form of social organization in which human activity is conducted with efficiency best; situation of education systems in the countries of Central and Eastern Europe, economies and societies in transition to liberalized macro management formula, because those systems were built and operated on the principles of political and ideological regimes and the dominant socio-economic; net divide between university education systems in countries of Central and Eastern Europe and graduate education systems in Western European countries, highlighted by their very mission; implementing a significant competitive market mechanisms in parallel with a corresponding decrease government intervention steering major changes in higher education systems in the context of transition and consolidation of democratic society and decentralized economy.

The finding released in analyzing the topic of this chapter is that emphasize character exploding scientific and technological innovation in more and more areas of peak with social and economic effects, but not limited to complex long-term and broad impact of exchange values on plan international necessarily bring to the forefront of the concerns of the majority of Member researching the future of science and technology as the only way to ensure conditions for the foundation and achieve economic development and overall progress in a design perspective based on promoting the latest achievements of knowledge universal scientific. This assumption takes on dimensions and characteristics peculiar to countries where labor productivity and national product are lower, as is the case in Romania and which aim to bridge the gap that separates them from the economically advanced countries in a relatively short time, with the contribution determinant of modern science and technology. Education, especially its central component - education, plays a critical role in this process, because the latter productive tool, that manifests itself in many significant ways as well: a) education is provided determining the dynamics of labor in qualitative terms; b) education as a process of human capital formation, meet economic need, urgent at the present stage, the crucial increase in the share of labor in total social labor complex; c) education is through continuous adaptability to the demands of society (economy) modern accelerator pace of economic and social progress, and d) exceeded content of teaching concerns a specialized institution (ministry) and came to the attention of all socio-economic organizations as a part of their present and future as an extension of their own organic activities. The importance of the productive education are currently the subject of a very broad literature. Educational relationship references to production (economic activity) can be found in the works of prominent personalities in the history of world science, but a theoretical approach to the problem was outlined only in the eighteenth century by crystallization of classical economics.

Chapter 2, entitled „ FUNDAMENTAL VECTORS OF THE CONSTRUCTION OF FINANCING SYSTEM OF EXPENDITURES FOR EDUCATION IN ROMANIA” refers to a series of major problems with the system of funding education expenditure in a state of law and economics fundamentals competitive European model of governance and funding of education expenditure. It's basically the presentation of coordinated study education and financing related expenses from the standpoint of economic theory and practice, the major problems of financing education expenditure in a modern state and the characteristics of the European model of management expenses education. Among the conclusions reached on the issues discussed in this chapter, we consider as essential: significance of economic education in society and economy based on knowledge, rated as the most important event of the last century, which changed the political landscape, economic, social and moral world, the core of which is placed individual educated, faced with demands, challenges and new responsibilities; various and multiple needs, including those of an educational nature, individuals and their communities through the consumption of goods and services whose production and supply is used (use) economic resources; the strictly personal preferences of educational services, for which differ from one individual to another, but there are situations when certain aspects of economic and social life are rather general in nature, collective or social than purely private; the paradox that freedom of choice in education (education) is the prerogative of high-income categories of citizens; identification of numerous arguments advocating increased parental involvement in choosing the school they want their children to attend; the possibility that by choice, to ensure equality and equity in education, starting from the fact that the philosophical concept of modern education, it plays a role in the distribution more equitable, even more egalitarian income, known as the reasons economic, but not only, for which the company aims to reduce poverty; charging more equality as equality of opportunity rather than equality of income or results; specialists concern to inequality of opportunity; frequent educational strategies suspicion current lack of concern, more or less obvious to social justice without gender equity to be assimilated; consider that free education is equitable at least declaratively, but its cost must be borne by someone; always existence of public monopolies, but formulating a delay in relation to the practice of public economic theories of scientific production, so that may be deemed to be ex-post rationalization or theories-alibi; insinuation, the production of public goods, manufacturers of unique situations, namely the existence of public monopolies; remarks suggested by the study of regulatory policy adopted by European Union officials; broad autonomy which leaves the member states a community directives on the form and means of action for achieving the expected results through the development process of opening up to competition; co supervision in most countries, the functioning of markets open to competition by new independent authority, composed of specialists in the fields under control and authorities designated as traditional competition policy; designing, building and organizing systems for financing the costs of higher education (in fact, education in general) so that universities (schools) to be able to faithfully carry out the tasks they have been associated over time; current governments refusal to spend so much for higher education in the budget for public service; foundation of most arguments in favor of financing from private sources ununiversitar education on human capital theory; motivation partial public subsidies for higher education concern for fairness and aspiration to improve and gain access opportunities of the disadvantaged groups; significant conditional access to good education, not only higher income, wealth and parental education; differentiated reaction of European states faced with the need to rethink and transform the governance structures of higher education institutions in the context of rapid changes in society and its relationship with higher education; significant contribution to modernizing education and training to ensure prosperity and social cohesion in Europe; differentiation from one country to another within the European Union, the mechanisms used to finance public spending on tertiary education and to attract private resources for this purpose; funding formulas significance as ways to increase transparency of public funding by objective distribution of available funds between

institutions and avoiding excessive political pressures; use, determining the amount of funds allocated for teaching and operating the performance indicators focused on student achievement (measured mostly by the number of graduates); trend to extend the autonomy of higher education on financial management, especially in mobilizing the funds and private use.

We believe that one of the key issues of analysis developed in this chapter is the choice in public education. Economists are quite realistic regarding the state's role in economic and social life. States may take a wrong or wrongly apply good decisions. One can speak of failure of the state system, such as inadequate income redistribution, as well as talking about the market system failures, such as, for example, monopolies. These problems include public choice theory, which analyzes how, why and for whom produce public sector as demand and supply theory examines the elections for the private sector. Economists have been concerned mostly since the time of Adam Smith, the understanding of the market mechanism. Some of the most profound, but were bent and the state's role in society. Public choice theory foundations were laid by Joseph Schumpeter in his *Capitalism, Socialism and Democracy*, 1942. Valuable Contribution also brought Kenneth Arrow, Anthony Downs (in *An Economic Theory of Democracy* work, 1947), James Buchanan and Gordon Tullock, a number of studies included in the volume *The Calculus of Consent* 1959.

Chapter 3, entitled „ OPPORTUNITIES AND LIMITS OF FINANCING OF THE EXPENDITURES FOR EDUCATION FROM PUBLIC RESOURCES AND PRIVATE RESOURCES” refers to the scope and efficiency of the public economy, justifications and funding constraints (supporting) public spending on education, a number of good arguments for expanding private finance spending on education and issues of pricing of public services and the sizing level university fees . I formulated on the issues discussed in this chapter, a number of conclusions that we think of particular interest: definition of public economics as a branch of economics that studies the state activity, activity that, first, non-commercial use, but can have a significant degree, and commercial; relatively late use of the phrase "public economics" literature, even though public sector problem analysis is one of the oldest branches of economics; development theory "public economy" in the immediate postwar period, valued at analiaza scientific response to John Maynard Keynes, which provided a new justification for state intervention as a useful tool to avoid stagnation in the short and long; diversity scope of the public economics theory, including: rules and functions of public intervention, the prosecution resource allocation, funding public action; frequent use of the social welfare function, whose arguments individual utility functions, reason for intervening in social choices, criteria of fairness or distributive justice; there are three major types of deficiencies in the economy with imperfect competitive market, namely that may be unbalanced, it can be inefficient and may lead to an optimum of socially inequitable; introducing elements of monopoly by the presence of barriers to entry, because due to their imperfect prod become disputable in that entry and/or exit to/and from the market (markets) are obstructed and accompanied by costs; defining external effects or externalities as consequences of the action of individuals or organizations (institutions) to others without the possibility of compensation or reward; the need for economic and social activity to join the requirements of the principle of opportunity cost, that each unit of resources used in the public sector should be paid to its price in the private sector; perception, long time, that the object of "public economy" acts should be limited, at least in terms of resource allocation, highlighted weaknesses (failures) market (markets); public non-commercial coordination of activities by the public, represented by its specific administrations at different levels; the need for a balanced management, compatible with social welfare, production and distribution activities of government; state the opportunity to influence the distribution of income and to ensure their custom allocation transfers using standard, leaving, by definition, marginal substitution rates unchanged agents; possibility of understanding the impacts and effects of actions by state interventionist public policies by analyzing a set of issues related to direct interventions in markets and fiscal guidelines; awareness of the need for accountability of individuals and

communities to support financial decision an activity with profound implications on the destiny of the mankind as education; substantiating the need for educational reforms and general economic theory applied to the specific education system; age public financing of education funding that was acute, but nowadays, especially in countries in transition towards a modern democratic society and competitive economy; state intervention shortfalls in funding education expenditure; state and justify the possibility of substituting the market to finance the costs of education; evidence that education, like any other field of human activity useful, can develop the requisite historical and social demands of the stage only on the basis of appropriate investment policies; the realization that the amount of education they receive and assimilate individuals closely linked to a number of factors, such as personal ability, motivations, preferences, habits, community and family, that is not determined randomly; incorporation in the utility function of the household used in researching the economic effects of education, various models thereof that determine interactions between effects and a multitude of elements necessary to produce and their manifestation and also capture the significance of variables observed and unobserved estimating the impact education; the possibility of using an approach highlighting the economic theory of a kind of social interaction effects from nonpiață education sector; availability of different individuals to participate in improving the social environment due to their different perceptions of the opportunities offered by this environment to maximize their utility; integration of private and social costs and revenue analysis of externalities, including in education expenditure; the identification of measurement problems of expression and social effects of education as a public good; locality need goods or services in all educational goods and services consumed in society; perceived lack of education expenditure as a source of external effects; defining the minimum level of education or natural - interesting consequence of the approach associated costs in terms of economic theory of externalities; the possibility and the need to estimate the capacity of a system of public education expenditure financing The influence of the distribution of wealth in society and its redistributive impact assessment; consequences, particularly generous to be taken under the monopoly in financing public education expenditure; meaning close connection and charging mandatory educational services optimization procedures.

We consider that option for a formulation (solution) or other funding education expenditure depends highest degree of externalities, positive or negative, associated with this type of activity. Advocates positive externalities mainly to finance public resources so that benefits and costs are distributed fairly among the participants. Negative externalities advocates, in turn, for financing in principle private, to compensate those affected. We appreciate, however, that the crucial role of externalities lies in advocacy for rational combination between public funding and private funding of education expenditure so that all citizens benefit equitably advantages and contribute equitably to the costs. Of course, the choice between public funding and private funding of education expenditure is arbitrated and other factors or circumstances, besides externalities to achieve the goals or objectives that it proposes the government in power. Externality or external effect of education is, by definition, the effect of economic and social borne by the receiver and compensated by an exchange or a transaction of a share of production or consumption of the economic and social issuing agent. It is the effect on the economic and social utility of the agent receiver, which can be positive or negative. We have developed in the paper issue of positive externalities and negative externalities problem specific educational activities on various levels of the educational chain. The concept "externalities" has its origin in the very economic thinking of Alfred Marshall, referring to the positive externalities that benefit businesses because of scientific and technical knowledge, among others - the role of education (education) is quite explicit, not just default . In the same tradition of A. Marshall, the concept was expanded later by Arthur C. Pigou, except that only Marshall perceived positive externalities, while Pigou identified negative externalities.

Chapter 4, entitled „ REFORMATION OF THE SYSTEM OF FINANCING THE EXPENSES FOR EDUCATION IN ROMANIA” refers, basically, to financing and decentralization, coordinated considered major education reform in Romania, the Romanian national education system structure in the current stage, the current system of financing the costs of education in Romania, to a series of statistical aspects which characterize the evolution of Romanian education in post-revolutionary period, but also from a number of directions or opportunities to reform and improvement of the rationality finance expenditure in the education system in Romania. We appreciate that the detained following conclusions are made under the analysis performed: dependence expenses for financing education, in terms of size and structure of many factors; the character of national priority of education in Romania, as an essential component of education; law 1/2011 annual allocation from the state budget and the budgets of local governments to finance national education, a minimum of 6% of GDP that year; public free education in Romania; differentiation of education expenditure volume both from one country to another and from one individual to another, unable to provide an image both on the capacity of a country to support human capital development and on the ground that it occupies the long-term development strategies; the higher degree of return on investment in higher education on an individual level than at company level, particularly by increasing wages in the future, justifying bear a large part of the costs of higher education by the individual; the possibility of integration into the European Union in terms of human factor, only a certain level of professionalism, the spiritual-cultural and economic development in constant adaptability to a new economic environment, international integrated, to an integrated world, a unique world , the world that requires unique people; the importance of education and the need to invest in them long enough especially because it helps young people (and others) understand what a market economy, that its role in the development of competition and personal and social development, what relevance of education at employment and adaptation work, the impact of the economy on their future; establishment, according to current law, the national system of pre-university education establishments of all state, private and confesional approved / accredited; nursery education organization ante and, where appropriate, in kindergartens and day care centers; organization of preschool education in kindergartens, extended and weekly; organization and functioning of primary, usually the morning program; organization and functioning of secondary schools, usually with morning program; variety chains and profiles of high school; organization of vocational education in vocational schools which may be independent or affiliated units technological high schools, public or private; organization of higher education in universities, academies, research institutes, schools of higher education and others also called higher education institutions or universities - higher education institutions may be state, private or confessional; higher education mission to generate and transfer knowledge to society; character organized and structured learning in formal, conducted in an institutional framework and based on an explicit teaching design; perception nonformal learning as integrated learning in some planned activities with learning objectives that are not explicitly curriculum and can vary in duration; monetary support lifelong learning in public and private funds based on public-private partnership, through funding and co-financing from employers, nongovernmental organizations, through funds from nonrefundable european programs through lifelong learning accounts and beneficiaries contribution; composition of financing the education institutions from core funding, additional funding and additional funding; basic funding meant to ensuring the normal education process at the undergraduate level according to national standards; additional funding meant to cover capital expenditure, social spending and other expenses associated with the process of public school; additional funding is granted as a lump sum fixed in the budget of the Ministry of Education, the awarding of public school units with outstanding school performance in the field of inclusion; free education for the public university tuition figure annually approved by the government and tax; functioning institutions of higher education as institutions financed from funds allocated from the state

budget, extra-budgetary funds and other sources; identifying directions (opportunities) training and improvement of the rationality finance expenditure in the education system in Romania; transition to a new way of allocating budget appropriations to universities; the perception of financial crisis of higher education, not only as a reflection of the general crisis of the state.

From our point of view, the central issue of reforming the education system in Romania, hence the costs of financing education, the impact of competition on product education for balance. Stimulating competition in the Romanian education market has significant implications on the report of underinvestment and overinvestment in this field, on the one hand, and revenues now or lost opportunity costs in other areas (health, for instance), on the other hand. Competition induce discipline in the Institutions on costs, prices (tariffs) and quality of specific products and also allow education to participate, on an equal footing with other areas of social life, accessing resources, including money, by the company.

The thesis is accompanied by a bibliography structured according to the recommendations: books – 249 headings; studies and articles – 131 headings; juridical regulations – 11 headings; web addresses – 14 headings. We mention that references are not exhaustive.