# CONNECTING THE EDUCATION SYSTEM TO THE LABOR MARKET – PREMISE OF RESPECTING THE RIGHT TO EDUCATION AND THE RIGHT TO WORK

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#### Abstract:

This article is based on the link between the right to education, the right to work and the right to an adequate standard of living, all three included in the Universal Declaration of Human Rights. The paper explores the link between education and the labour market, considering that every human being has the right to an education that provide the necessary competencies for a proper integration on the labour market. During the last decades the education became more connected with the economic activity and the economic theories and concepts are widely used in designing and evaluating the educational policy. Concepts such as costs, results, investments, efficiency, competitiveness etc., taken from the economic sphere have been increasingly present with reference to the education institutions or to the education system as a whole.

The education is no longer reserved to the elites and because it became a mass process, it is obvious that its main objective should be preparing the futures employees for their potential jobs. Many international organizations (mainly concerned with economic issues) are involved in analyzing and evaluating the national educational systems as well as in providing directions for the educational policy. The economic globalization made most countries interested in their international competitivity and in their position in the global competition and these aspects are related to the efficacity of their educational systems.

The statistical data available at the international level proves that the quality of the educational systems is linked with the standard of living of the population. That means that investing in education and properly designing the educational policy might be the most efficient active social protection measures that use efficiently the public resources and offer to each individual the chance for a dignified life.

Keywords: education, labour market, human rights, competencies

#### Introduction

Article 26 of the Universal Declaration of Human Rights speaks of the right to education, which should be "free, at least at the elementary and fundamental stages", a right which we have placed alongside the right to work, under "fair and satisfactory" conditions (art. 23), as well as the right to "a standard of living adequate for the health and well-being of himself and of his family" (art. 25). There is a clear link between these rights because education, at least the formal one, precede the participation on the labor market and conditions it. We propose in this article to analyze to what extent the correlation of the education system with the labor market is beneficial and can ensure the observance of the abovementioned rights.

Under the influence of the international institutions and organizations that are involving in the evaluation of the educational systems (The Organization for Economic Cooperation and Development, The World Bank, different European Union institutions), many economic concepts and theories were introduced in the educational system. Since some researchers considered this trend a negative one, we want to explore the motivation and the consequences of the connection between the educational and the economic systems.

# The philosophical background of education

Initially, the formal education system was designed based on the idealistic philosophy that considered that the education should be general in nature and should not pursue training for practicing a profession or fulfilling a certain role in society, because the idealists rejected materialism and careerism<sup>1</sup>. In this view, the teacher is the authority who has the knowledge and decide what must the student learn. The curriculum was based on the subjects that transcend the limits of space, time and circumstances, such as philosophy, theology, mathematics. For idealists, "the real purpose of schools and universities is to provide a place where the mind can think and know, without being disturbed by the passing experiences of everyday life. (...) The social function of the school is to preserve the heritage of the past and to pass it on."<sup>2</sup>.

Modern philosophies had to respond to a different reality – that of accelerating emergence of new scientific theories. By the seventeenth

<sup>1</sup> George Knight, Filosofia educației creștine, București, Editura CARD, 1995, p. 19.

<sup>2</sup> *Ibidem*, p. 20.

and eighteenth centuries science progressed at a slow pace, which allowed scholars to consider that reality is static and that they can store all the knowledge that existed at that time and pass it on to future generations. With the modern age it has become increasingly clear that this was no longer possible because knowledge is progressing at an ever-increasing pace. In this context, the philosophy of pragmatism moved the emphasis in education from the subject taught by the needs and interests of the student and his preparation to face a world which is constantly changing in terms of the role he must play in the society.

In the context in which education is no longer reserved for elites, but has become a mass process, we cannot ignore the fact that its purpose is, in most cases, integration into the labor market. Currently, quality education translates into finding a satisfactory job<sup>3</sup>.

#### The influence of economics on the education system

For this reason, in recent decades, the link between education and economics has intensified, and concepts such as costs, results, investments, efficiency, competitiveness, etc., taken from the economic sphere have been increasingly present with reference to the education institutions or to the education system as a whole. Aspects related to the economic and financial field are also included in the indicators of external evaluation of the quality of educational institutions at all levels. Moreover, the relationship between economics and education was two-way, as economic science was influenced by the analysis of the effects of education on labor productivity, income, living standards, the best-known concept developed in this regard being the *human capital*.

Some researchers<sup>4</sup> accuse neoliberal doctrine<sup>5</sup> for the penetration of economic concepts in the field of education, in the context in which during the last 40 years neoliberalism has been the main paradigm that has provided the concepts necessary for economic analysis. Neoliberalism ap-

<sup>3</sup> Eliza Spătărelu, "Youth Insertion on Labor Market", in *Procedia Economics and Finance* 32/2015, pp. 1020-1026.

<sup>4</sup> G. Morales, S. Abegglen S. (eds), Understanding Education and Economics. Key Debates and Critical Perspective, London, Routledge, 2020.

<sup>5</sup> In essence, the neoliberal doctrine emphasizes the role of market mechanisms, competition and profit in the efficient allocation of resources and emphasizes the importance of freedom of choice and action of individuals, who are considered to act in accordance with the principles of economic rationality.

proaches the economic field from the perspective of *homo oeconomicus rationalis*, which always makes conscious choices, based on the evaluation of the cost-benefit ratio. Even if such a simplistic view of human behavior has many disadvantages, we must recognize that, at this time, economics does not have an alternative unitary paradigm that provides a coherent conceptual framework for analysis, even if there are various economic doctrines in circulation. Therefore, we have no other perspective to look at the link between economics and education than the neoliberal one. However, although some researchers lament that schools currently serve the "narrow interests of individual consumers and national economic policies" we cannot ignore the reality of the use of the economic concepts in structuring and evaluating the educational process, in designing the educational policy as well as the necessity of connecting the education to the labor market.

Economics studies the allocation of the limited resources in order to best meet the unlimited needs. Until the middle of the twentieth century, economists were mainly concerned with the productive activity of companies, profitability and the decision-making process based on cost-benefit analysis. Starting with the years 1950-1960, increasingly consistent concerns in the area of the link between education (especially formal) and the level of wages or economic development appeared. These concerns manifested in the context of the increased demand for educational services after the Second World War, which also led to an increase in public funds allocated to the education sector<sup>7</sup>. Following the introduction of compulsory education, formal education has evolved from a process accessible only to elites to a mass process that has acquired features of mass production (e.g. reducing costs by increasing the number of students trained)<sup>8</sup>.

The analyzes made by Jacob Mincer, Theodore Schultz and Gary Becker have shown that individuals make decisions about their formal education in much the same way that firms choose to invest in physical capital - based on expected benefits.

Economic theories are generally built around the concepts of scarcity (related to the resources), rationality (related to the decisions) and

<sup>6</sup> Giroux apud G. Morales, S. Abegglen S. (eds), *Understanding Education and Economics*. Key Debates and Critical Perspective, London, Routledge, 2020.

<sup>7</sup> Jose Luis Garcia Garrido, Fundamente ale educației comparate, București, Editura Didactică și Pedagogică, 1995.

<sup>8</sup> Rene Rogelio Smith, *Procesul pedagogic: Agonie sau renaștere?*, Cernica, Editura Institutului Teologic Adventist, 2005.

optimization (maximizing benefits). In this way, economics can also provide a framework for understanding individual or organizational behavior in the process of allocating human, material or financial resources<sup>9</sup>. There are many concerns about the education system that we can no longer ignore and the economic concept and theories can help us understand them better - issues related to the cost of education, the relationship between cost and quality, education funding, public funds allocated to education and their distribution, the relationship between the educational offer and the requirements of the labor market etc.

The first connections between education and economy were related to exploring the link between the educational process and the benefits obtained by those who go through this process, especially those benefits related to the labor market, education being seen as an individual decision to invest in order to obtain further benefits. This way the theory of human capital was born, which, although developed in the second half of the twentieth century, was preceded by the ideas and observations of the "fathers" of economics, Adam Smith and John Stuart Mill.

Considered the founder of economics as a science, Adam Smith remarked, in 1776, in his famous work, The Wealth of Nations, that salary depends, among other things, on the difficulty and cost of learning and compared investment in education with the purchase of an expensive machine in the production process, both investors waiting to obtain benefits from the investment made<sup>10</sup>. John Stuart Mill continued this idea, talking about the influence of an individual's education and skills (which he calls personal capital) on the salary earned<sup>11</sup>. Alfred Marshall talked about the long-term investment in human capital formation, about the role of the family in making this investment, as well as about its non-monetary implications<sup>12</sup>.

In the twentieth century, Mincer (1958,1962), Schultz (1963) and Becker (1966) established the theory of human capital. The interest in identifying the factors that generate economic growth was increasing and also increased the availability of statistical data that have allowed analyzes of how productivity was influenced by the level of training.

<sup>9</sup> D. Brewer, P. Mc Ewan, P (eds), Economics of Education, Oxford, Elsevier, 2010.

<sup>10</sup> Adam Smith (2011). Avuția națiunilor, București, Editura Publica, 2011 (1776).

<sup>11</sup> John Stuart Mill, The Principles of Political Economy, Londra, Macmillan, 1883.

<sup>12</sup> Alfred Marshall, Principles of Economics. Digireads.com Publishing, 2012/1920.

The concept of human capital was first used by Jacob Mincer, in an article published in 1958 in the well-known Journal of Political Economy and later developed by Garry Becker in his 1964 paper Human Capital. A year before, Theodore Schultz published a book in the same thematic area, the economic value of education.

Human capital can be defined, according to the *Concise Dictionary of Economics* (2015), as "the set of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform labour so as to produce economic value", and Gary Becker<sup>13</sup> says of human capital that it refers to "the knowledge, information, ideas, skills, and health of individuals."

Human capital implies both the existence of innate skills and characteristics that need to be developed, as well as those acquired through formal and informal education. It is worth noting that not only education contributes to the formation of human capital, but also genetic baggage, the family environment and the health system. As in the case of physical capital, the accumulation of human capital involves investments that generate both productivity and profit growth as well as intangible benefits. There are people with exceptional talents (for example famous athletes) who did not need a lot of formal education to be successful. But for most people, who do not have such innate exceptional abilities, education remains essential. In fact, Gary Becker considers that education and training are the most important investments in human capital and shows that people with a higher level of education generally have above-average earnings<sup>14</sup>. Analyzing the US available data, Becker demonstrates that the main cause of income disparities in the United States is the different level of education. In addition to these monetary benefits, in the same paper, he talks about the inverse relationship between the unemployment rate and the level of education, but also about the importance of nutrition, health care and improving working conditions in the development of human capital.

The theory of human capital considers that individuals invest in education and training (which can be quite expensive), judging by the same principles as investors in physical capital – depending on the benefits they

<sup>13</sup> Gary Becker, *The Age of Human Capital*, 2002, https://www.hoover.org/sites/default/files/uploads/documents/0817928928\_3.pdf, accessed at 7.05.2021.

<sup>14</sup> Gary Becker, Capitalul uman, București, Editura ALL, 1997/1964.

expect, whether monetary or non-monetary. Investments include the payment of school fees and other expenses involved in the schooling process, as well as the potential gain that is sacrificed by replacing the years of activity in the labor market with years of schooling. The benefits can refer to both higher salaries and better working conditions, prestige, higher standard of living, better health.

Subsequent research on human capital has focused on three main directions<sup>15</sup> (Brewer and Mc Ewan, 2010):

- a) primary and secondary education (including the first 12 grades). For this age group, research on the economic effects of education looked at education as a production function, which turns inputs into outputs. In this case, the inputs are represented by the quality of the teaching staff, the size of the classes, the school policy, aspects related to the family demography. The observable results are the scores on the standardized tests and the completion rate of secondary education. Amongst the most significant of these studies we mention the positive effect of size class on the results of standardized tests and on the rate of promotion examinations for admission to college<sup>16</sup>.
- b) post-secondary education (colleges and universities), which focused on the differences in quality between schools, starting from the large differences in the US in terms of tuition fees at different colleges. Researchers have tried to see if the higher fees charged by elite colleges lead to higher earnings for graduates. The results are not entirely edifying, with some researchers talking about 40% salary differences between graduates of elite institutions compared to graduates of other institutions, while other studies talk about a much smaller difference<sup>17</sup>.
- c) adult education, on-the-job training and professional experience, which analyzes the conditions under which companies are willing to invest in the training of their own staff and aspects related to the depreciation of human capital. Related to the latter aspect, studies show that the duration of unemployment or interruption of professional activity by women for family reasons is inversely correlated with the level of salary obtained when returning to the labor market.

<sup>15</sup> D. Brewer, P. Mc Ewan (eds), Economics of Education, Oxford, Elsevier, 2010.

<sup>16</sup> Word, 1994; Krueger, 1999; Krueger and Whitmore, 2001 apud D. Brewer, P. Mc Ewan (eds), Economics of Education, Oxford, Elsevier, 2010.

<sup>17</sup> Dale and Krueger, 2002 apud D. Brewer, P. Mc Ewan (eds), Economics of Education, Oxford, Elsevier, 2010.

If initially the research in this field focused on the monetary gains obtained from investments in human capital, later they focused on the non-monetary benefits and externalities of the educational process. For example, research by Adriana Lleras-Muney<sup>18</sup> examines the impact of education on longevity, estimating that one year of formal education leads to an increase in life expectancy by 1.7 years. The study of the positive externalities of the educational process, which refers to the positive effects of education on people or entities other than those who invested in the process, showed that formal education increases civic involvement in the US and greater involvement in political processes<sup>19</sup>, crime reduction and a healthier lifestyle<sup>20</sup>.

The theory of human capital also provides an important explanation for the development of different economies over time, given that physical capital and land are not able to fully explain this development. Japan is a classic example of development despite the absence of natural resources, but the United States also developed in the twentieth century more than would have been predictable considering only physical capital<sup>21</sup>.

The very concept of *knowledge economy* that captures an essential feature of modern economy – the importance of knowledge in the production process and its rapid appearance and accumulation – is related to human capital theory. The knowledge economy needs a flexible education system that can adapt to rapid change and provide individuals with the skills needed in the labor market, both through initial training and lifelong learning. The concept of lifelong learning, which is becoming more and more used, starts from the idea of the degradation of human capital and the need for its periodic renewal<sup>22</sup>.

The theory of human capital has aroused huge interest among researchers, giving rise to a large number of scientific papers. Gary Becker

<sup>18</sup> Adriana Lleras-Muney, "The Relationship Between Education and Adult Mortality in the United States", in *The Review of Economic Studies* 72/2005, 189–221, https://doi.org/10.1111/0034-6527.00329.

<sup>19</sup> K. Milligan, E. Moretti, P. Oreopoulos, "Does education improve citizenship? Evidence from the United States and the United Kingdom", in *Journal of Public Economics* 88/2004, pp. 1667-1695.

<sup>20</sup> D. Brewer, P. Mc Ewan (eds), Economics of Education, Oxford, Elsevier, 2010.

<sup>21</sup> M. Lovenheim, S. Turner, Economics of Education, New York, Macmillan Learning, 2018.

<sup>22</sup> G. Morales, S. Abegglen S. (eds), Understanding Education and Economics. Key Debates and Critical Perspective, London, Routledge, 2020.

himself observed, in the second edition of *Human Capital*, published in 1975, that if in 1957 a bibliography on this subject had counted less than 50 titles, in 1970 it would have exceeded 1300 titles, without considering other investments in human capital than training (such as investment in health)<sup>23</sup>. Since then, the literature on this subject has continued to grow exponentially.

In reaction to the theory of human capital, the theory of signaling, developed by Michael Spencer, considers that formal education is needed not necessarily to increase individual productivity, which he considers innate, but to legitimize it. The basic problem with signaling theory is that employers have incomplete information about the real abilities of potential employees, and the latter, in turn, have difficulty convincing employers about their productivity. As a result, both need the diplomas offered by the education system to solve this situation of asymmetric information<sup>24</sup>. As a result, employees receive higher salaries if they have a higher level of education because this education gives them a degree and not necessarily because it has given them additional skills, which employees could have already held, but could not have demonstrated in the absence of that diploma or certification.

There are many debatable aspects about this theory, such as one of the starting hypotheses, which argues that individuals have different levels of productivity from birth that are not affected by the educational process<sup>25</sup>. Such a hypothesis reduces the role of formal education to the certification of competencies already possessed, which is not true, at least not in all cases. Attempts to empirically verify the validity of signaling theory in contrast to human capital theory have been difficult and have not produced conclusive results, as both models estimate that more educated individuals will receive better wages, which means that observing the relationship between schooling and size earning is not very helpful.

The best way to approach the two theories is to consider them complementary and not opposite, given that individuals opt for investment in education both to increase their human capital and to obtain a diploma certifying the existence certain skills. There are, however, two aspects on which the two theories remain divergent. The first aspect considers the

<sup>23</sup> Gary, Becker, Capitalul uman, București, Editura ALL, 1997/1964

<sup>24</sup> M. Lovenheim, S. Turner, Economics of Education, New York, Macmillan Learning, 2018.

<sup>25</sup> D. Brewer, P. Mc Ewan (eds), Economics of Education, Oxford, Elsevier, 2010.

type of benefits obtained from the educational process. From the perspective of human capital theory, these benefits are both private (individual) and social (benefits of society as a whole). From the perspective of signaling theory the benefits are only private, expressed in higher salaries, which translates into the fact that investment in education should be entirely private, and the state should not spend in this area<sup>26</sup>. The second aspect concerns the fact that, from the perspective of human capital theory, the education system can produce skills and competences and it matters how it is organized and structured, while from the perspective of signaling theory, this does not happen, and the involvement of the state through educational policies is unjustified.

Compared to the evolving theory of human capital, that of signaling has largely lost the interest of researchers in recent decades, even though there may be situations in which it applies.

## Connecting the pedagogy and the labour market

Pedagogy has not remained immune to these analyzes and theories, especially due to the growing interest in the comparative evaluation of the effectiveness of educational systems by involving international institutions in conducting standardized tests, studies, analyzes, reports on this topic. It is interesting to note that the most important international institutions involved in the elaboration of these analyzes (Organization for Economic Cooperation and Development, World Bank, various institutions within the European Union) have a predominantly economic orientation and objectives.

The Council of the European Union reaffirmed, in May 2018, the eight key competences for lifelong learning, that are considered essential for every individual for personal fulfillment and development, employability, social inclusion and active citizenship.

These competencies are<sup>27</sup>:

- Literacy
- Multilingualism
- Numerical, scientific and engineering skills
- Digital and technology-based competences
- Interpersonal skills, and the ability to adopt new competences

<sup>26</sup> M. Lovenheim, S. Turner, Economics of Education, New York, Macmillan Learning, 2018.

<sup>27</sup> European Commission, Key Competences for Lifelong Learning, Luxembourg Publication Office of the European Union, 2019.

- Active citizenship
- Entrepreneurship
- Cultural awareness and expression

Even if these competencies are not formed exclusively in formal education, it is obvious that there are expectations regarding the involvement of the school in their development.

In fact, pedagogy has taken over the concept of competencies, currently widely used, making the transition from knowledge-centered education to competency-centered education, amid the accelerated multiplication of knowledge. In these conditions, it is considered unrealistic and not useful to ask students to store information, but it is much more beneficial to lead them in the process of mobilization, application of acquired knowledge, a context in which the concept of competence takes shape. "The appeal to the notion of competence has become widespread in the field of education, both in theoretical discourse and in educational practice"<sup>28</sup>, and we can even talk about its globalization<sup>29</sup>.

The main innovation brought by these competencies since was the transition from the static conception of the curricular content to the dynamic combination of knowledge, skills and attitudes closely related to various real life situations in which people could use them. The Formulation as transversal competencies, which go beyond traditional school subjects, has made them suitable for lifelong learning. However, European officials acknowledge that the main challenge is the assessment of these skills, as traditional assessment focused on knowledge and less on skills and attitudes or transversal competencies<sup>30</sup>. The concept of competence has its origins in the labor market, where the graduate of the educational institution must activate, perform, apply the knowledge acquired in the training process.

## Why Education Matters

As we have already mentioned there are studies<sup>31</sup> proving that the differences in the personal income are caused by the different level of education

<sup>28</sup> Marin Manolescu, *Referențialul în evaluarea școlară*, București, Editura Universitară, 2015, p. 41.

<sup>29</sup> Ibidem.

<sup>30</sup> European Commission, Assessment of Key Competences in initial education and training: Policy Guidance, 2012, Online: https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2012:0371:FIN:EN:PDF, accessed at 20.05.2021.

<sup>31</sup> Gary Becker, Capitalul uman, București, Editura ALL, 1997/1964.

and studies showing non-monetary benefits of education – on health, on civic involvement or on reducing criminality. At the macro level, education is corelated with the economic growth and higher productivity.

The Global Competitiveness Report published annually by the World Economic Forum evaluates the competitiveness of a growing number of countries (141 in 2019) and one of the 12 pillars considered refers to population skills, including the mean years of schooling, the quality of vocational training, critical thinking, pupil to teacher ratio in primary education.

Table 1 summarize the level of education of Romanian unemployed.

Education	Number of persons	%
Total, out of which	290.972	100%
- No studies	22,448	7,72%
- Primary education	56,458	19,40%
- Secondary education	83.566	28,71%
- Vocational training	45.898	15,77%
- Highscool education	61.400	21,1%
- Post-highchool education	4.315	1,48%
- Higher education	16.887	5.80%

Table 1. The education of the unemployed, Romania, 31.03.2021

Source: Agenția Națională pentru Ocuparea Forței de Muncă, www.anofm.ro, 2021

A brief analysis of the data shows that the most affected by unemployment are those without education or only with primary and secondary education, while people with higher education have the lowest share among the unemployed. The lower percentage of people without education or only with primary education, compared to that of people with secondary education should be seen in the context of compulsory education in Romania, which makes a smaller number of people remain in the first two categories.

Following a review of 1120 estimates, made in 139 countries<sup>32</sup>, Psacharopoulos and Patrinos conclude that the average private rate of return on investment in education for an additional year of education is 9% and is

<sup>32</sup> G. Psacharopoulos, H.A. Patrinos, *Returns to Investment in Education*, Washington DC, World Bank, 2018.

relatively stable. over time, and the social reimbursement rate is over 10%. The private reimbursement rate takes into account the earnings obtained by the individual (compared to a person with a lower level of education), and the social rate refers to the effects of this investment for society (lower crime, reduced dependence on social assistance systems, better health, better family climate, increased participation in civic life, greater social cohesion). The same study shows that the private rate of return on investment is about one percent higher in middle- and low-income countries compared to high-income countries, and that it is higher for women than for men by about two percent.

Figure no. 1 presents the public expenditure per student in 2017, that can be easily corelated with the economic development.

We notice the group of Nordic countries that stand out in this ranking, being well known the concern of the respective states for investments in the education system in general. These countries operate on the basis of a social market economy, with high taxes (as the main source of budget revenues), but also with high social expenditures, financed from the state budget (education, health, social services). The data clearly show Romania's position regarding the financing of primary education, the amounts allocated per student in 2017, being less than half of those allocated by Bulgaria and more than 20 times lower than those allocated by Switzerland. Countries allocating less than 3,000 euros per student (Romania, Bulgaria, Hungary, Czech Republic, Lithuania, Poland) are former communist countries, left with a standard of living below the European Union average and a justification for these low investments may be, in addition to low budgetary resources, the lower level of salaries (including that of teaching staff), which translates into lower final expenditures. However, the large gap between these countries and those allocating more than 10,000 euros / student (Sweden, Denmark, Norway, Iceland, Luxembourg and Switzerland) cannot be explained by wage differences alone. There are clear differences in terms of educational institutions endowment and educational resources available to students. In this situation the mutual influence between education and economy is visible. If, on the one hand, investing in education leads to higher earnings and economic growth, on the other hand, the level of economic development determines the resources that will be invested in the educational system and that will influence the quality of the educational act. Unfortunately, no matter how dedicated and well-trained teachers are, the influence of the investment in education

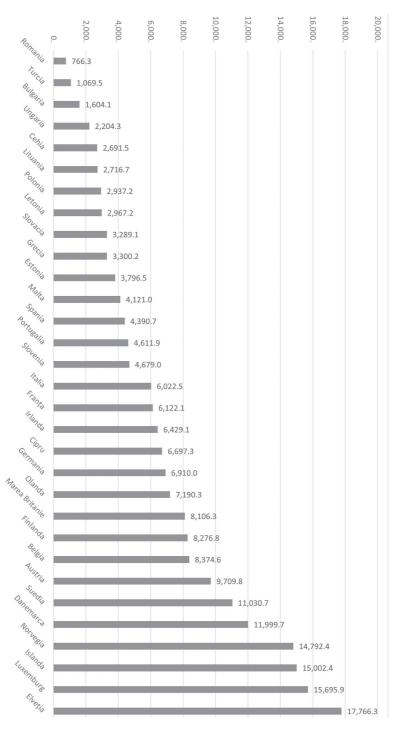


Figure no. 1. Public expenditures per student in primary education in 2017 (euro)

remains an important factor in influencing students' performance, because they translate into classes with a smaller number of students, in which the teacher can adapt accordingly to the educational needs of each student, in motivating salaries that attract well-trained staff, in teaching materials and conditions for conducting educational processes that stimulate the interest and performance of students.

#### **Conclusions**

Beyond the reactions of some researchers, who believe that the penetration of economic concepts in education causes a deterioration of the mission of educational institutions, it remains an undeniable reality - the need for the educational process to produce skills, knowledge, competencies, attitudes needed for the future employed in the labor market. The economic logic must not be taken to the extreme in terms of education, which cannot be seen only as a commodity and appreciated exclusively in terms of cost-benefit analysis. Certainly, the field of economics has its limits and cannot provide answers and solutions to all the problems that education faces. But economics offers models<sup>33</sup> of human behavior that can help us understand the mechanisms by which individuals make decisions about the type and volume of education they choose and evaluate the effectiveness of education systems and policies.

The economic objectives and policies are not an end in themselves but seek to increase the level of well-being of citizens in that area, and the education system cannot ignore this concern, which exists not only at decision makers level, but also at the individual level. Education, at least the formal one, cannot be achieved without the active involvement of the beneficiary of education, and this involvement is influenced, to an important extent, by the perception regarding the usefulness of the educational process.

The current tendency to compartmentalize and separate the various dimensions of human existence can lead us to look at the conflicting relationship between education and the economy. In reality, both are realities of human existence and should be seen as complementary, not opposite. We believe that it is normal and necessary for formal education to

<sup>33</sup> We refer here to economic modeling, a process by which reality is simplified or abstracted in order to facilitate its study and understanding.

provide the individual with the necessary competencies in order to be able to integrate into the labor market, but it is not mandatory to limit himself to this.

Returning to the fundamental rights to education, work and a decent standard of living, we must emphasize that education is one of the most important ways to protect human dignity. Human dignity is inextricably linked to the individual's ability to provide the necessary financial resources for himself and his family. Given that most public spending on social protection is for passive measures (e.g. financial aid limited in duration), which does not protect human dignity but affects it, we consider that investing in education is the best active social protection method, which ensures the achievement of a decent standard of living, while protecting human dignity.

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