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The role of lifelong learning in the growth of employment and labour efficiency. The case of Romania

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Abstract

The paper presents the role of lifelong learning in improving employment and labour efficiency in general and then captures the relationship between education - lifelong learning and the labour market in Romania. The study results focus on identifying certain actions to encourage lifelong learning in Romania and to improve educational and employment policies, to improve the quality of life.

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1. Introduction

In today's economy the economic growth, development and progress of an economy are subject to investment in people, to the increased role of education and lifelong learning.

Specialized literature shows the importance of lifelong learning in the labour market integration and in the increase of work efficiency because by participating in lifelong learning individuals adapt more easily to changes in the labour market and better face strong competition from the global economy. These advantages at the individual level are also supported by advantages at the organizational level, and even at the national level, by the fact that well prepared people are always a long-term investment of society, becoming the support of economic growth and development.

This paper is based on a post-doctoral research in the field of employment of labour resources, in order to improve employment policies and strategies and the quality of life in Romania. Any employment policy or strategy should be developed taking into account other macroeconomic policies, and especially educational policies.

From a theoretical point of view to identify the relationship between lifelong-learning and employment, it turned to books, studies and articles in the field. The research methodology involves both a qualitative research, as well as a quantitative one, using analysis, synthesis and statistical methods.

Originality and own contribution in this research consists in ensuring a link between education policies - employment policies and lifelong learning for Romania and identifying some recommendations on how to enhance and improve this link to contribute to human welfare and quality of life.

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2. The role of education and lifelong learning to improve employment and labour efficiency therefore the quality of life

The role of education and lifelong learning in economic development and quality of life is captured in a variety of studies. Thus, recent studies, such as the Franco-German Council of Ministers, 2010 stress the role of continuing education in the quality of life and sustainable development of any economy. (C. Boissieu, M. Didier, C. Schmidt, and others, 2010). Increasingly more often at the academic level, there are discussions about the indissoluble link that exists between the education and prosperity or economic development or quality of life. The experts stress the importance that education had and continues to have in achieving a higher level of living. (L. Badea, 2011)

The relationship between education, employment and quality of life is very complex. On the one hand, the influence of education is visible in all aspects related to the welfare of the individual and his level of satisfaction. On the other hand, employment, income levels and working conditions are influenced by the educational level of the individual. Studies show that a higher level of education enables the individual a better labour market insertion, increases the chance to adapt to the labour market demands and it positively influences the quality of life. (M.I. Aceleanu, 2011)

Moreover, the high level of education is the gain of a greater stability in the labour market, which reduces the default risk of unemployment. The educated people have a higher participation rate on the labour market and their period of active life is generally greater than those with lower education. Education plays a central role in preparing the individuals to enter the labour market and in equipping them with the skills necessary to engage in lifelong learning experiences. Authors like O. Giarini; M. Malita (2005) and M. Spence (2009) provide evidence of the value of investing in education to develop the human capital and of its contribution to the economic development and growth.

Edmund Phelps (1999) emphasizes the importance of studies to earn a respectable salary. He shows that such earnings rose slowly for those from the bottom of the wage scale, while productivity relied more on knowledge and skills and increasingly less on physical work.

The primacy of education stems not only from its fundamental role in increasing the individual earnings, but also from its noneconomic benefits - such as lower infant mortality, better participation in democracy, reduced crime, and even the simple joy of learning - that enhance and enrich the quality of life and sustain development.

On the other hand, education and lifelong learning are dependent on the population's living conditions, which in turn it influences the participation in education. The better economic conditions the individuals have, the more possibilities they have to invest in education. Thus, there is a two-way relationship between education and quality of life: a better educated population contributes to economic growth and development and also increases the quality of life, but on the other hand, the participation in education is influenced by the quality of life and by the economic conditions.

Anthony Atkinson (1998) appreciates that is very important for a nation not only employment but its quality. A better quality of employment is linked to increased productivity. Continuing education contributes to labour productivity growth, meaning that better prepared people can adapt more easily to new requirements imposed by development, by the transition to new technologies, by globalization. Productivity improves as people are better educated and cultured. The more time is allocated for the education of a person, the more adaptable this person is, the more productive this person becomes in the long run in dealing with new challenges. R. Lipsey and A. Chrystal (2002) believe that the investment in human capital can bring people not only the best technological knowledge, but by training the potential innovators, it will lead to growth.

The economic analysis of education increasingly put out the link between educational investment in human capital and economic growth. "Human capital represents the value of the people's ability to bring income. It includes capabilities and native talent, as well as education and acquired skills... education is the slowest, yet most powerful driver of growth" (Dornbusch, R.; Fischer, S., 1997). A. Whalley (2011) analysis the relationship between investment in human capital and income level using the Panel Study of Income Dynamics, which shows that in general, revenues increase with increasing education. Education is not the only way to overcome the high unemployment rate and income inequality. In this respect Lawrence Mishel (2011) considers that the unemployment problem, especially under the conditions of crisis, is related to the lack of jobs and not to the lack of appropriate skills. Workers face a "wage deficit" much more than a "skills deficit."

Sometimes education is a necessary but not sufficient condition for an individual to enjoy good labour market outcomes, whether in the formal or informal economic sectors. In addition to education, good labour market opportunities for the skilled persons require an economy as a whole to be operating well, with macroeconomic stability, an attractive investment climate, and efficient labour markets, in addition to other factors. At the same time educational policies must be linked to the other macroeconomic policies. Christopher A Pissarides (2003) explains the decrease in unemployment in some countries just by linking educational and employment policies with policies for flexible labour markets and monetary reforms.

In all the world states it was found that extending the duration of training for a growing number of individuals and even if it does not always provide a well-paid job and certainly has a high intrinsic value by transmitting knowledge, values, principles and rules which govern society, thereby it contributes to the strengthening of its social cohesion.

Given the major implications of education on the quality of life of individuals and on the development of economy, concerns in the field have widened in the past years, especially in the developed countries. At EU level, the increase of education level of the population has become one of the main objectives of the Lisbon Strategy, Europe 2020. By achieving this objective it is aimed the labour productivity growth, the lowering of unemployment, a better labour market insertion of young people, a growth in people's participation in education and life-long training. The Education and training 2020 policy framework sets the benchmark of an average of at least 15% of adults to participate in lifelong learning by 2020. Lisbon Strategy underlined the close links between education and training and employment policies. Employment guidelines included measures to encourage and improve lifelong learning in Member States. So, the eight key competences in the recommendation of the European Parliament and of the Council on key competences for lifelong learning are: communication in mother tongue; learning to learn; communication in foreign languages; social and civic competences; competences in maths, science, technology; sense of initiative and entrepreneurship; digital competences; cultural awareness and expression. Some EU studies (Cedefop, 2010) also emphasize the importance of lifelong learning as a way to sustain employment and personal development throughout life, not only during the career. Thus, to help build a Europe in which people develop their abilities and skills throughout life, there should be stronger bridges between work, education and training.

Globalization and developing a new economy require a growing number of completely new and evolving professions. This development puts pressure on a new paradigm in the learning systems, focusing on education, on lifelong learning, on forms of non-formal and non-conventional education. Because society is constantly changing and its dynamics are very fast and fluctuating, the dynamics of knowledge must follow the same intensive pace and a very high degree of adaptability to the actual conditions. (Chenic A. S., Stanef M. R., 2011).

The experience of the developed countries, especially the Nordic countries, which have registered fast recovery after the current crisis, with positive results of the macroeconomic indicators, highlights the important role of investment in lifelong learning and educational programs at the organizational and national level. Even if investment in education and lifelong learning is not the only way to improve macroeconomic results, also requiring the development of certain correlations between policies and strategies adopted, however, education and investment in people is the support for the development of any society in the long run.

3. Participation in lifelong learning in Romania and its implications on employment

Lifelong learning includes all the learning activities throughout life undertaken to improve knowledge, skills and competencies, either through the national educational system or through individual study, or at the level of companies and organizations.

In Romania, programs that support lifelong learning are still at the beginning, and this concept is not yet functional. The participation of the population aged 25-64 in education and training (in the year 2010) is very low in Romania, only 1.3%, being the lowest in Europe, after Bulgaria (1, 2%). The situation is more worrying as the average in European Union is around 9% and the Nordic countries record levels over 20%. There is a greater participation in education for people with higher education in all countries, including Romania, but this could increase the risk of social exclusion. (Serban A.C., Aceleanu M. I., 2011)

The chart below (figure 1) highlights the differences in lifelong learning recorded in several European countries. The Nordic countries like Denmark, Sweden, Finland have a long tradition of investing in education and lifelong learning and they apply the model of the Golden Triangle in employment, which includes active labour market policies, generous unemployment benefits and labour market flexibility.

At the opposite end there are Romania and Bulgaria, with the lowest level of participation in lifelong learning. There is a decrease in participation in education and training in France, Hungary, Romania and Bulgaria in 2010 than in 2008, which can be explained as the result of the current crisis, such programs can no longer be financed. Nordic countries instead have accelerated investment in education and training and these are some of the measures adopted by them to reduce the effects of the crisis.

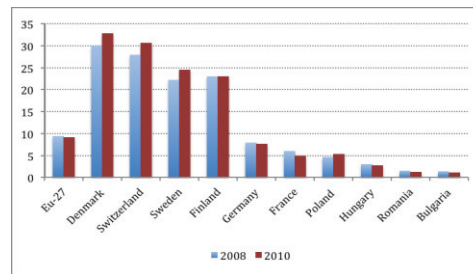


Figure 1. Lifelong learning (% of the population aged 25-64 participating in education and training in 2008, 2010); Source: Eurostat yearbook 2010, <http://epp.eurostat.ec.europa.eu/>

In order to develop these lifelong learning programs in Romania, efforts are needed both at individual, organizational and national levels. Also the national strategies in education and training should be linked to European strategies and programs.

The low participation in lifelong learning in Romania is the effect of some imbalances of the application of economic policies and strategies. Budget deficits have led to reduced investments in education and in the adoption of active labour market policies; the educational system is still poorly correlated with the labour market.

On the other hand, at the individual level, the interest for investment in education is not sufficiently supported by revenues that can be obtained in the future and by quality of life, which has worsened as a result of the current economic crisis.

The national labour market problems in Romania are generally caused by a reciprocal relationship with the economic growth level – the new jobs created are insufficient, the adaptability and mobility of the workforce are maintained at low levels, which require strategic approaches to reduce the discrepancies between supply and demand for the professional qualifications of the labour market.

Regarding the management of intangible assets in relation with the relevant developments in the world, the Romanian organizations register differences of 1-2 generations of ideas and solutions as a result of the insufficient use of their human potential and investment, of the under-dimensioning of investments in the intellectual- intensive branches. (Constantinescu M., 2011)

The organizations in Romania are characterized by the insufficient participation in the professional training, especially for the small businesses. In large enterprises, *with over 250 employees*, the share of companies that have organized training courses is 66%, while in firms with *fewer than 10 employees* the share is only 17%. The insufficient participation of employees in professional training will result in a lack of competence and/or qualified personnel, especially in sectors with rapid growth.

Many organizations in Romania believe that investment in people is too high a price in the short term, but they must invest more in the continuous training and in research development, based on the idea that well trained people and innovation represent the organization's path to long term success. In Romania there is a risk of short-term action, aiming mainly at the material advantages, however, organizations must be aware that only by investing in people can they cope fast with the global change and competition. The key to future company leadership is to develop an independent point of view about tomorrow's opportunities and build capabilities to exploit them.

4. Conclusions

For Romania the development of lifelong learning programs is important because they will allow it to face competitive labour market and to know the growth in labour productivity. Romania must implement strategies for lifelong learning, including through improved quality and efficiency of education and training systems. Developing a lifelong learning policy involves permanent training and re-training of labour by upgrading and adapting the skills to cope with the competition in an enlarged Union and a global economy, by keeping pace with the technological changes and increasing the share of the importance of knowledge in the production value.

Concrete measures to support lifelong learning in Romania should aim: better cooperation between universities and businesses, a better adaptation of training and retraining to the existing demand on the labour market, improving the curricula; development of information services, counselling, mediation and training in the National Agency for Employment, in accordance with the concept of continuous training, organizing training courses, attracting European funding to develop training programs, increasing cooperation between schools and universities in different countries, carrying out training programs for employees, increasing the access to education by increasing the number of places funded in colleges and universities, increasing the financial support for continuous training programs. To obtain the best results, these measures applied in education must be completed with active labour market measures, as well as appropriate social and fiscal policies.

By implementing lifelong learning programs Romania can recover the gaps compared to the developed countries, improve work efficiency and employment.

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