

INFORMAL EDUCATION IN ROMANIA

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Abstract

The formal and informal education has a significant impact on human capital accumulation, which is strongly influencing the growth and development of a country. While the formal education is acquired especially through the learning system, the informal one is correlated to the professional experience at the workplace, both of them being considered a long-term investment. Because the educational effort is indirectly related to the preference rate in time and directly related to the school efficiency, people have to rationally choose between the time spent working and the period spent with education, giving up on one of these activities. Yet, there is an alternative that reduces the necessity of the substitution through the factor time and which leads to an endogenous knowledge accumulation, into the productive act: the learning-by-doing process. Unfortunately, in Romania this is a concept very vague defined and applied, even in the case of the multinational corporations' subsidies.

Key words: learning-by-doing, life-long-learning, work-based learning

JEL classification: I20

1. Introduction

Human capital is considered to be that sum of knowledge, abilities and skills, acquired by the individuals through education, experience and trainings, which can be used in order to increase the level of economic growth and development [Coleman, 1988, S95-S120]. As shown in the definition, the education represents the qualitative side of human capital, having two main forms: formal and non-formal education, the last one including the informal education. While the formal education is acquired especially through the learning system, in the primary, secondary and tertiary level, the informal one is correlated to the professional experience at the workplace.

Ferrante and Sabatini [2007] underline the fact that there are two types of knowledge, corresponding to the two forms of education: codified knowledge – acquired through learn-

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ing and tacit (non-codified) knowledge – resulting from experience. Into a firm, the two types are completing each other but, sometimes, the tacit one is more important than the codified knowledge in determining the entrepreneurial human capital. The codified knowledge, beside its role played in shaping the abilities of coordination and planning, helps the individuals better understand the general rules of the world they live in. Meanwhile, the experience is another way of acquiring cognitive skills because people learn how to associate different kinds of information with specific decisional contexts. The importance of the two of them varies from one situation to another, different technological and institutional structures requiring codified and tacit knowledge in different proportions [Van Praag and Cramer, 2001, 45-62]. As Ferrante and Sabatini [2007] have mentioned, inside a firm, the importance of the tacit knowledge reveals in the moment when a new idea or product is developed, while the codified one is valuable when there are different entrepreneurial projects to be done.

In the present paper we analyze the informal education in Romania from two points of view: as a work-based learning, when the formal education is completed by the informal one through the partnerships between the universities and the companies, and as a learning-by-doing process, when the employers recognize the need to invest in human capital and to explore new ways of making the learning opportunities available for their employees. Meanwhile, we underline the correlation that exists between the informal education and the productivity and, according to the conclusions that result, we make some suggestions for Romanian companies.

2. Important aspects related to informal education in Romania

Lange and Topel [2005] are correlating the possibility of improving the informal education with an increase in the level of learning; consequently, if the investments in formal education are profitable, then the investments in other forms of acquiring skills have positive results. In a study conducted by Gallacher and Reeve [2002] it is shown that the work-based learning should start even since the university years, because, in this way, students would have the possibility to get thoroughly into the theoretical knowledge, acquired through the formal education. In United Kingdom, as well as in other European countries, the work-based learning has already been implemented and it is supported by a number of funding initiatives designed to encourage the reform of higher education. The first initiative of this type was launched in 1987 by the Employment Department, entitled Enterprise in Higher Education. The central aim of this project was to ensure that „people reach their full potential and that employers have access to the skilled people they need”ⁱ, meanwhile advocating the importance of the partnerships between higher education and the companies. The pressures exerted by the increased international competition on both employers and on the educational system led to a growing number of the work-based learning projects in United Kingdom, at the end of the XXth century [Brennan and Little, 1996]. Unfortunately, in Romania, although such projects are very necessary, they are postponed. Generating a better orientation and preparing the students more effectively for the labour market, these projects would represent a first step towards the reform of the Romanian educational system and would underline the importance of learning from experience. As Soloman and McIntyre noticed, the projects could materialize into a „process of reforming boundaries in the new learning space”ⁱⁱ.

Apart from the work-based learning process, conceived to be implemented during the university years, there is also another process – known as the learning-by-doing process –, which defines the informal education. Due to the fact that the educational effort is indirectly related to the preference rate in time and directly related to the school efficiency [Lucas, 1988, 3-42], traditionally, it is considered that workers have to rationally and voluntarily choose between the time spent with production and the period spent with education, giving up on one of these activities. But, due to the learning-by-doing process, the necessity of the substitution through the factor time is diminished, a fact that leads to the endogenous knowledge accumulation into the productive act. Underlying the importance of informal learning at the work-place, Ernaut, Alderton et al [1998] notice that „knowledge is held by individuals from whom other people need to learn”ⁱⁱⁱ. Yet, the process of learning at the work-place should be continually supervised, in order to have the highest value of informal education.

In almost all the developed states, the companies, being aware of the implications of new technologies on the production process and on the organization of work in the context of increased international competition, experience the need of investing more and more in the education and training of their employees. Unfortunately, in Romania the learning-by-doing process is a concept very vaguely defined and applied, even in the case of the multinational corporations’ subsidiaries. In a statistical study conducted by us on a sample of 300 persons from the North-Eastern part of the country, in October-November 2007, only 3,5% of the respondents had participated on specialized courses organized by companies and only in 56,5% of the cases the courses had been financed by the employer [Popescu, Pohoată, (coord.), 2007]. These results show a reduced interest of the Romanian economic agents for increasing the stock of human capital. An explanation could be given by the fact that, due to the increased number of high skilled persons, firms avoided spending money for training the employees since they had not the certainty that they would not migrate to other companies or markets. Nowadays, “the internal market is lacking labour force, a fact that imposes a more careful personnel policy, focused on acquiring new knowledge and skills specific for the firm and for the job”^{iv}. As in the case of other developing countries in which the firms do not offer enough training for their employees, in Romania it is also necessary that the state should interfere, in a totally classic liberal manner, in order to build some training centres or to give some fiscal incentives that encourage the associations between different companies able to create or manage such centres.

A good example is that of the German or Japanese firms, well-known for their production systems based on innovative methods, which are enjoying a high level of available human capital. Due to these production methods, intensive in human capital, the two countries experienced a huge increase in the welfare state, after the Second World War. In the case of the German companies, the employees have a high stock of human capital, with great abilities of fast learning. These reasons, together with the fact that the firms offer identical incomes for similar jobs, generate huge investments in training programs. Actually, the training model conducted inside the German and Japanese companies is specific for the post-fordist firms [Gilmore, 1999]. These last ones are characterized by the flexibility of the specializations (toyotism) and, consequently, they require a high degree of human capital specialization, in order to reorganize, to reinvent the production techniques and the labour flows and to reduce the time spent with the production of goods.

An article published by the Department for Education and Employment from United Kingdom argues the fact that it isn’t at all exaggerated the idea according to which the trainings organized by the firms for their employees are, actually, investments similar to those in

technical capital: "in the information and knowledge based economy, investment in human capital - in the intellect and creativity of people - is replacing past patterns of investment in plant, machinery and physical labour" [DfEE, 1999, p.12]. Some studies, conducted in the industrialized countries, underlined the fact that the lack of employees' adequate abilities is the main obstacle in adopting new technologies, while the proper trained employees are accelerating this process [Nakamura, 2000]. In this way it can be explained why in some states with dynamic economies, such as Malaysia, Indonesia, Mexico or Colombia, the trainings and the job specialization have led to a substantial growth of the productivity. Indeed, there is a direct correlation between the informal education and productivity, but the nature of this relation is positively or negatively mediated by the organizational context [Fuller, Ashton et al, 2003]. In order to argue this statement, Fuller, Ashton et al [2003] have introduced three concepts: *learning as attainment*, *learning as participation* and *learning as construction*. While the first term is associated to the formal education and the second one to the informal one, learning as construction „has emerged as a more effective tool for capturing the process and product dimensions of learning”^v. Fuller et al. consider that each organization should use the informal education as a part of its attempt to construct a workplace environment in which it will achieve its objectives. Consequently, learning at work is not just a simple matter of participation or attainment; it is a dynamic process involved in the shaping of the individual, with a great impact on his productivity. So, we may conclude that the link between the informal education and the productivity level exists, since the last one depends on the way in which the employees are doing their jobs, but, as the authors have also mentioned, the strength and the visibility of this correlation differs according to the organisational goals, culture and structure. These conclusions, together with the results noticed in the case of various countries in which the informal education plays an important role, could be used as a bench-mark by the Romanian companies in achieving their competitiveness goals.

3. Conclusions

Education plays a very important role in the construction of the modern societies and in having efficient economies. The way in which the educational system is conceived, the investments made in it, the quality of the teachers and the continuous adaptation of the learning curriculum to the reality of a changing labor market are the elements that make the difference, on medium and long term, between the welfare state and the lack of it. Romania has tried, for several times, to shape, at a formal level, a modern trend for education. The lack of consistency and the insufficiency of the resources allocated made the reform look more like experiments or attempts that were unsuccessful and damaging for many young generations. Unfortunately, the efforts, as little as they were, weren't focused on the non-formal education, the national cultural system being underfinanced. The theatres, the museums, the libraries, the children's palaces, all these have experienced a painful and bankrupting transition, being, in this way, in the impossibility of reaching up their purpose of information transmitters and educational-panel designers. The lack of these educational centers, transmitters of real values, was balanced by the mass-media offensive, focused on profit, as it is normal for a market economy. This led to the creation of a subculture with some weaknesses and national stereotypes, taken and perpetuated from the communist period. Unfortunately, the financial power of the pillars, which generated subculture and the lack of consistency in public financing a high value educational system, has led to a signifi-

cant depreciation of the Romanian human capital. This phenomenon was also emphasized by a strong migration of individuals that were looking for a marginal gain more consistent. In this context, the demand of labor force has considerably increased due to the inflows of foreign investments and to the improvements in some economic branches. As it was normal, it came the moment when the number of potential employees does not correspond any longer to the labor force offer, from the qualitative and quantitative point of view. So, nowadays, the companies that are doing business in Romania are in a constant crisis of high skilled workers.

The theoretical knowledge acquired through the formal education cannot have an important contribution to the future professional value of the worker if they are not immediately combined with the experiment, with the practical testing; if all these do not happen, the theoretical knowledge is forgotten. The solution, according to the ideas underlined by us in this paper, would consist into a change in the firms' employment policy. The companies should be more interested in partnerships with the centers of formal education, especially with the universities and vocational high schools, in order to stimulate the work-based learning process, through which the young persons acquire the practical knowledge important to a rapid professional adaptation.

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- i Employment Department, *Higher Education developments: the skills link*, Employment Department, Sheffield, 1990.
- ii Soloman, N. , McIntyre, J., *De-schooling vocational knowledge: work-based learning and the politics of the curriculum*, Open University Press, 2000.
- iii Ernaut, M., Alderton, J., Cole, G., Senker, P., *Learning from other people at work*, The Policy Press, 1999, p. 48.
- iv C.C. Popescu, L. Diaconu, "Human Capital Determinants in Romania", *Analele Univ. din Oradea – Secțiunea Științe Economice*, vol. II, Tom XVII, 2008, p. 356.
- v Fuller, A., Ashton, D., Felstead, A., Unwin, L., Walters, S., Quinn, M., "The Impact of Informal Learning at Work on Business Productivity", *The Centre for Labor Market Studies*, Leicester, 2003, p. 3.