

MECHANISMS OF FINANCING ROMANIAN EDUCATIONAL SYSTEM IN AN ECONOMY BASED ON KNOWLEDGE

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Abstract: The economy based on knowledge is that economy that passed the developing stage beyond which knowledge represents the key-resource. An extremely important issue in the functioning of the educational system is represented also by the methods of financing, afferent to each level. So that, according to the Education Law no. 84/1995 with the ulterior changes and completions, the state education is free being financed mainly from the state budget and local budgets, but also from the economical agents' funds, as well as of other physical and juridical persons. To the superior education there is allocated a separate fund for university scientific research, from the global budget of research, on competitive criteria, in terms of national priorities and of obtained or anticipated performances. The financing system of the state pre-university education must provide the decentralization of the funds at teaching units' level. The financing of the state pre-university teaching units consists of basic financing and complementary financing. Other form of financing is represented by auto-financing realized on the basis of their own resources. The financing of the Romanian education system has to be in accordance to the law concerning the competition and state help, as well as to the communitarian practice in the field.

The economy based on knowledge is that economy that passed the developing stage beyond which knowledge represents the key-resource. What makes this knowledge to become such an important resource? The more capable a society would be to develop, to accumulate and to use the information, the richer it would become. Knowledge can be associated with human capital. The information's accessibility makes that the persons could investigate and express easier, it can determine the growth of communication between human beings, the development of new types of business (e-commerce), and the development of new on-line information centers.

Because of the science's development, ever many persons are employed in the development of new activities. The number of the research fields has grown a lot and, thus, in order to become a good specialist, a person needs ever many years of training.

The importance of education-as an act of conscience on whose quality depends not only the welfare of the future nation, but, at the same time, the power, the influence and even its existence as a different entity in the world and regional configuration, is unanimously recognized.

The strategic objectives established by the European Commission in the year of 2002, within the European Council of Barcelona, as well as the decisions adopted at European level within the "Bologna process" have determined the speeding up of the reform process of the educational system.

Romania's assuming the obligations established through the process of Bologna, has took shape in structural changes brought to the educational system, such as the extension of the period of obligatory education from 8 to 10 years, reorganization of

university studies in three cycles, as well as applying measures in order to contribute to the growth of the educational system's efficiency. At the time being, the system of education and initial forming is structured on the following levels: pre-school education, primary education, secondary education, post-high school education and superior education (university and post-university).

A great importance has creating a structured system of continuous professional forming. The ratified legislation in the field of continuous professional forming takes into account continuing the reform of the professional forming system through implementing the European principles concerning the quality assurance, decentralization, social partnership and transparency of the system, as well as institutional consolidation of the professional forming system.

An extremely important issue in the functioning of the educational system is represented also by the methods of financing, afferent to each level. So that, according to the Education Law no. 84/1995 with the ulterior changes and completions, the state education is free being financed mainly from the state budget and local budgets, but also from the economical agents' funds, as well as of other physical and juridical persons.

The financing of superior education institutions is realized on the basis of criteria approved by the ministry, at the proposal of the National Council of Financing the Superior Education and of the National Council of the University Scientific Research.

To the superior education there is allocated a separate fund for university scientific research, from the global budget of research, on competitive criteria, in terms of national priorities and of obtained or anticipated performances.

Within superior education, legal regulations stipulate the possibility of organizing the activity of scientific research, technologic development, projection, consulting or expert appraisal, that can be developed within the departments, teaching posts or personal units of scientific research, inclusively through collaboration with other teaching institutions from the country or abroad. Scientific research from superior education benefits for free of the services of the entire informing and documentation network of the education unit's libraries.

The fundamental scientific research programs, as well as other programs of important interest, are financed, on the basis of contracts, from the annual funds allocated for the Ministry of Education, Research and Youth by the state budget, apart from the financing of the education process. The financing of the research contracts is made in a competitive way, on the basis of the evaluations made by the National Council of the University Scientific Research.

If until 1998 the state was the only financer, the present situation has changed, when the tax education form has been approved, so that the state budget participates with approximately 50% in the unique budget of universities, the rest representing their own sources. The gradual diminution of the state contribution in financing the universities meant granting a university and financial autonomy from the state's behalf, mainly in constituting and using the extra-budgetary resources.

Concerning the private education, as an alternative of the state education, the legislation in force stipulates the possibility of giving support by the state to the accredited teaching units. Private education can function by respecting the conditions concerning the organizing based on the non-profit and non-discrimination principle, rejecting the antidemocratic, xenophobe, chauvinistic and racist ideas, current and attitudes concerning the national standards.

The Ministry of Education also supports the establishment of university consortia through practicing a stimulative complementary financing politics.

According to the law, the financing of the state education is provided by public funds, on the limit of at least 6% of PIB in the year 2008.

The financing system of the state pre-university education must provide the decentralization of the funds at teaching units' level. Thus, the financing of the pre-university education units is provided from funds allocated through the local budgets of the administrative-territorial units on whose area it develops its activity, from the state budget and from other sources.

The calculation basis of the funds allocated to the teaching units through and from the local budget, for the basic financing it is constituted by the standard cost per pupil, calculated in terms of the indicators specific for the education activity, of the quality of the educational process, of the professional forming, of the institutional management and the essential feature of forming.

The financing of the state pre-university teaching units consists of basic financing and complementary financing. The basic financing provides the development under normal circumstances of the education process at pre-university level, while the complementary financing provides capital expenses, social expenses, as well as other expenses associated with the education process.

The complementary financing is made from the local budget, in terms of the needs of the pre-university teaching unit. The financing provided through state budget and local budget can be also completed through other sources; their existence does not diminish the allocated budgetary funds.

From budgetary funds there are given scholarships to pupils and students from day classes of the state education, as well as the completion of the necessary sources for the expenses of maintaining the boarding schools, the students' hostels and the canteens. For the obligatory pre-school state education there are provided free textbooks, as well as free medical and psychological assistance in state medical units.

From the state budget there is also provided the partial financing of transportation in common, as well as tariffs reduced with 50% for the access to museums, concerts and other cultural and sportive manifestations organized by public institutions; from these facilities also benefit the pupils and students from the accredited private education.

Other form of financing is represented by auto-financing realized on the basis of their own resources materialized through different income categories (school taxes, incomes from renting buildings or fields, incomes from specialization courses carried out by teachers of the respective teaching units).

Donations, sponsorizations or other forms of not reimbursable financial help that could be received by the teaching units are realized by enterprises, foundations, charitable organizations, non-profit associations or even by physical persons.

The financing of the Romanian education system has to be in accordance to the law concerning the competition and state help, as well as to the communitarian practice in the field. Thus, from the competition environment's perspective, the elaboration of financing projects or the appliance of some mechanisms comparable with those at communitarian level, have to permit the free and non-discriminating access to budgetary funds, central or of the local authorities, on competition bases, opened for all education institutions – public or private, accredited according to the law.

The European Union has to implement the politics of professional forming which has to provide the support and the completion of the member states' actions, in order to respect the responsibilities concerning the content and organization of the professional forming system.

Actually, in March 2000, the European Council has settled as a target the transformation of the European Union, in the year of 2010, in the world's most competitive and the most dynamic economy based on knowledge, capable to provide economical growth through creating numerous and better work places, as well as a greater social cohesion.

In realizing this desideratum, the Council invited the member states, so Romania also, to a general reflection upon the concrete objectives of the educational systems and upon a substantial annual growth per inhabitant of the investments in human capital. For the education and professional forming field, the European Union and the member states have to allocate sufficient resources in realizing the target, through imposing a rigorous orientation and administration of the funds in the sense of obtaining a high level of efficiency.

Thus, the European Union created instruments and programs in order to contribute to the development and financing of the education system, leading to the fulfillment of the objectives settled through Lisbon strategy.

These instruments and programs include: Socrates program, Leonardo, Tempus, Erasmus, Jean Monet project, the cooperation EU/USA, EU/Canada and the programs for research-development, from which universities receive approximately a third part of the necessary funds for the research activity, support measures for professional forming and mobility assurance.

Socrates is the European program for education, whose purpose is to promote the European dimension and to improve the quality of education through encouraging the cooperation between member states. The program has to deal with great challenges of the new millennium, which is promoting the permanent education, encouraging the access to education for all the population, as well as recognizing the qualifications. One of the Socrates' actions is developing Erasmus program which contains a lot of measures for supporting European activities in the superior education field, for promoting mobility and the change of students and teachers.

Leonardo program promotes transnational projects based on the cooperation between different participants in professional forming-organisms of forming, schools, universities, business environment, commerce rooms, etc.-in the effort of growing the mobility, of accelerating the innovational activity and of improving the quality of professional forming.

Tempus program is a trans-European cooperation program in the superior education field, developed from 1990, in order to sustain the needs of reform of the superior education in central and east European countries, as a consequence of the falling of Berlin's wall in 1989. This program represents a help plan for restructuring the superior education systems from these countries for adapting to the needs of the market economy.

Jean Monet project's purpose is to facilitate the introduction of studies concerning European integration, in high schools and universities, especially about communitarian legislation, European economic integration, political European integration and the history of the process of European construction.

The UE/USA cooperation has been established through signing in October 1995 an official agreement between the European Union and United States in the field of superior education and professional forming, the purpose of the program being that of promoting the understanding between EU and USA, as well as the improving the quality of human resources.

The cooperation UE/Canada was concluded through signing in December 2000 the official agreement in the field of superior education and forming of the students, its purpose being that of promoting the tight cooperation between the citizens of the two areas, inclusively the understanding of their cultural, linguistic and institutional system, as well as improving the quality of human resources and recognizing professional qualifications.

Other instrument of financing the education in both Europe and USA is the voucher system. The voucher system offers the possibility of placing the amount of money represented by the tax percentage that goes to the education of a certain teaching unit chosen to be attended by his child. The teaching units show these coupons to the representatives of the governmental authorities and, thus, the expenses of that institution will be covered. As many coupons will be brought, the institution will be able to assure a higher level of the education process. It also grows the quality of school attendance and training.

Within the educational system of every state, great importances have its financing mechanisms and the compatibility with the legislation concerning the state help.

The financing evaluation from the help state point of view has to be realized differently. No matter what the financing mechanisms are, the financing sources of education can be grouped in two big categories: public sources and private sources. Public sources come from central, regional and local authorities, while private sources come from students and non-governmental organisms. The relative importance of each type of financing source, be it public or private, varies in a significant way from a state to another, going from total financing of education in countries like Denmark, Finland, Sweden, while in many member states study taxes are paid by students.

Also, the role that the regional authorities have in financing the educational system varies from a country to another. In Ireland, Netherlands, Finland, United Kingdom, Estonia, Leetonia, Lithuania, Hungary, Malta, Slovakia the regional authorities have no role, unlike Belgium, Germany and Spain, where the regional authorities have a very important role in financing the educational system.

Generally, for the old member states of the EU there have not been registered significant trends in the diversification of the financing sources, with the exception of only a few states, for example United Kingdom. In Netherlands there is promoted a crediting system based on performance, through which these kinds of credits can take the form of not reimbursable grants in the situation where the student successfully finishes his studies. In new member states, the transition from centralized economy to market economy also implied the introduction of radical reforms in their own education systems (for example, gaining the university autonomy).

In measuring the initiatives of financing the Romanian education system, there are generally followed 5 key-objectives:

1. the growth of the absolute level of financing;
2. the diversification of the income sources of pre-university teaching units, as well as of university education;
3. the growth of the efficiency level in using the resources;

4. the assurance of complementary financing sources for the research of excellence and professional forming, for growing the international attractiveness;

5. giving aid to pupils and students, under the form of allowances, scholarships, computers, credits.

In the new functioning conditions of the society based on knowledge there are imposed finding new financing sources, that, together with traditional sources of financing the education, should assure the necessary funds for the development and modernization of the teaching activity from pre-university and university education. It seems that the solution to this problem for the superior education it is represented by the loans for studies contracted by students during the period of accomplishing their university studies.

The reduced potential of financing Romanian education from private sources, as well as the urgent necessities and requirements that Romania has to deal with as a consequence of the integration in the European Union, impose paying a great attention to the educational process from the behalf of the decisive factors, concerning the quality of the educational process and especially the assurance of an adequate level of financing. Thus, financing the educational process on its main sectors -pre-school education, primary education, secondary education, post-high school education and superior education- does not imply measures such as state help, the education being seen as a national priority and as an activity of general interest, the development level of the country depending on it.

Measures such as state help within the educational process can be found in the case of some specific financing mechanisms, under the form of programs, research grants offered to universities, or other instruction and continuous professional forming programs. Generally, at the level of the European Union, the helps for instruction are compatible with the normal competition environment, being given after the Commission's authorization (for example in Ireland – the “Campus Companies” mechanism, in England – The plan of postponing the reimbursement of study taxes, The plan of the cards for students, introduced in Malta or The plan of grants for performance in Netherlands).

In this sense, in order to assure the compatibility with the communitarian practice, in our country there is proposed the development of instruction programs; giving grants or practicing other specific forms of financing the educational system from public sources has to be based on the elaboration of support plans according to the regulations in force.

Romania has to contribute to the qualitative development of the education through encouraging the cooperation with the other member states of the European Union in order to respect the responsibility concerning the organization of the educational system and the assurance of the cultural and linguistic diversity.

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