

CURRENT CHALLENGES FOR THE ROMANIAN ACADEMIA. MAY ENTREPRENEURSHIP BE A LIFELINE?

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Abstract

Currently, worldwide academia faces various challenges, such as increased competition from both universities and organizations that are not part of the education system, but offer different courses, negative demographic trend, the economic crisis, massive funding cuts, etc. As a particular case, Romanian academia has been and is still subject to continuous pressure, mainly generated by increased competition and constant transformation imposed by a number of factors such as numerous education reforms, repeated legislative amendments, increased bureaucracy, etc.

In this paper, we outline a series of issues faced by Romanian academia at this moment, focusing on the demographic trend, the decline in attractiveness for university education, the high rate of unemployment among young university graduates, and the lack of investment in education. By providing a descriptive analysis of these specific issues, that are leaving a negative mark on the development of Romanian academia, we mainly aim to raise awareness among university leaders, policy makers, and public authorities, and to emphasize the need for special measures to speed up the solving process. Furthermore, we analyze entrepreneurship as a factor that may provide an important contribution to the improvement of the outlined context.

Keywords: academia, higher education institutions, Romania, challenges, entrepreneurship

JEL Classification: A23, I23

Introductory remarks. Focus on literature review

Currently, there is an increased trend to consider the spending in the education and health sectors as valuable investments in the future of a country and not as mere costs. If the health system deals with the physical and mental health of a nation, the education system deals with the transfer of knowledge, with the development of the creative and innovative side of the human nature, this way, playing a key role in the personal and social development of the citizens of a country.

In this context characterized by the special importance of education in designing and developing 'healthy' societies, universities in the European area are exposed to increasingly higher pressures, like:

- increased competition - both from newly established universities in Europe, and from North-American and Asian universities - which damaged the academia that became one characterized by high competition, sometimes even aggressive, mainly because of the desire to attract more and more students;
- competition from organizations that are not part of the education system, providing online courses;
- the negative demographic trend;
- the economic crisis, which has negatively impacted especially young university graduates and that led to a worrying increase in the rate of unemployment among young Europeans;
- massive funding cuts that have led to an entrepreneurial orientation of universities in order to attract new sources of funding and to organize and manage themselves based on principles of efficiency, sales, and profits;
- increase in the number of regulations that universities must face (acts of government, quality standards, accreditation standards, etc.) which led to the bureaucratization of the work of teachers, to the detriment of the intellectual activity, research, and teaching, diminishing this way the role of promoting culture and moral and ethical values of universities;
- the systems of accreditation, hierarchy and multiple classification, which often involve different assessment criteria etc.

The rapid and major changes occurred in university life in Europe in recent years have led, most often, to the expected effects, as they were introduced without any prior pilot nor impact studies. In this context, Molesworth, Scullion and Nixon (2011) show that the United Kingdom policy to encourage the expansion of universities in order to create workforce of certain competences led only to an increase in competition between higher education institutions that, increasingly more, began to treat their students as customers and to be focused on raising their capacity to meet customers' needs; in this context, students began to consider their university graduation as a right for which they pay. As a consequence, there is an increased concern in the United Kingdom about the high competition coming from foreign universities, especially from the Far East. This determined Phil Baty, editor of Times Higher Rankings, to express the following: "*Outside the golden triangle of London, Oxford and Cambridge, England's world-class universities face a collapse into global mediocrity ... Huge investment in top research universities across Asia is starting to pay off.*" (Paton, 2012)

At the beginning of our new century, quality and excellence were central to the academia. However, since 2006, Harry Lewis, professor at Harvard College for 32 years and dean between 1995 and 2003, sounded the alarm in his work "Excellence Without a Soul - Does Liberal Education Have a Future?". According to the author - and his opinion is highly shared all over the world in the academia - by modifying the curricula that have become richer than ever, but are no longer focused on outstanding ideas, universities have made remarkable progress in the transfer of knowledge, but they forgot their fundamental purpose and they abandoned their mission to transform teen agers from fresh high school graduates into society's responsible adults that will shape its future. After 11 years since the work was published, we share the author's opinion. Nowadays, in the Romanian academia there is an unique focus on professional and transversal competences, on the purely technical side of each subject, notwithstanding the values, ethics and morality. Each subject can be taught to students also by explaining the positive and negative effects each decision

can have at the economic level, but also at the social level. Students need to become aware that any of their actions is likely to affect not only the financial results of an organization but also the lives and destinies of their colleagues / employees and clients.

During the economic crisis, the academic world began to shift ever more towards the concept of marketization, existing since 1970, by applying different corporate models, mainly with the intention of increasing their degree of flexibility and efficiency, due to their adaptation to market requirements, and also to the requirements of the students and of their parents. According to Furedi (2011, p. 1) - opinion also supported by Macdonald (2011, p. 14) - as an effect, the academia began to be viewed as a provider of education. Somehow, this is also how the concept of entrepreneurial university emerged. The academic education started to be considered as a good, students began to be treated as customers with requirements and needs that need to be identified and met, the assessment of students' satisfaction started to be seen as an indicator of the quality of university education, etc. According to the concept of marketization, the customer is always right, and students started to feel more and more entitled to complain, leading to an increase in frustration among teachers. The 'culture of complaint' has turned education into a defensive one and the students have been declared the 'agents of change' emphasizing the idea according to which they know best how they want to be taught and how to improve the teaching techniques (Furedi, 2010).

1. Brief fundamental aspects of the paper

As previously emphasised in the introductory part of the paper, there are various challenges the academia worldwide faces nowadays, such as: place and role in society; financing; quality; offered programs; favourite fields of study vs. those considered obsolete; vocational tertiary education institutions vs. universities; the emergence of new universities which, by their inclusion in the higher education, creates expectations and a high level of academic prestige, but through the level of offered education creates an erosion of the academic prestige; ongoing legislative changes; etc. All these are highly approached in the specific scientific literature. The Romanian academia is not an exception of the above mentioned context. The challenges it faces are quite varied and many of them are very difficult to overcome.

In this paper, we focus on laying out a series of issues the Romanian academia faces nowadays. By providing a descriptive analysis of these specific issues - outlined in the second section of the paper - we mainly aim to raise awareness among university leaders, policy makers, and other public authorities and to emphasize the need for taking special measures in order to facilitate their solving process. In this sense, we also approach entrepreneurship - from different perspectives - as a proper solving solution.

2. Analysis of the issues faced by the Romanian academia - main results

The Romanian higher education has been and is still subject to continuous pressure, mainly on two directions. On the one hand, there are the continuous transformations imposed by a number of factors, including: the many education reforms which have not been always characterized by continuity and a common vision; repeated legislative amendments; transfer to universities of administrative activities based on the principle of university autonomy (eg. the contests for staff hiring); development of multiple reports; increased bureaucracy by introducing mandatory management systems; the emergence of several international systems of university ranking, each with their own criteria; increasing the

demands for professors' evaluation in order to promote, focusing on international visibility (with negative financial implications for the professors - participation fees for conferences, taxes for publishing scientific papers in prestigious international journals); different systems of assessment, accreditation, certification, etc. On the other hand, the growing competition between universities - created by both the emergence of many universities and by reducing the number of graduates - has 'forced' universities to continuously adapt the curricula and the offered programs taking into consideration both the requirements and preferences of the candidates and the requirements of the workforce market.

Further on, we outline in a detailed manner only a series of the challenges the Romanian academia has to face, focusing on entrepreneurship as a key factor in their solving process.

The demographic trend

During 1989-2016, Romania's population decreased by 14.65%, from 23,151,564 (National Institute of Statistics, 2009) to 19,760,314 people. According to Giannakouris (2010, pp. 11-16) Europe's population will experience a growth of 5% between 2008 and 2030, with large differences between its countries and regions. By 2030, Romania is expected to face a reduction in population nearly by 1.3 million, both due to a negative natural increase of -3.1 ‰ and to a migration rate of 0.1 ‰ (Giannakouris, 2010). According to Eurostat (2017a), Romania is the European Union's country with the largest population decline between 2011 and 2015 - with 328,412 inhabitants (trend continued in 2016, when Romania's population has decreased by 110,679 persons). In terms of age distribution, European Union's population faces a progressive process of aging as a result of low fertility rates and of the increase in life expectancy. Romania is not an exception of the mentioned scenario, which led to a reduction in the school population ranging between 19 and 23 years old. This age range is specific to the university studies. Furthermore, the lowest level of coverage coincides with the period of the financial crisis (2011-2013), which highlights the direct link between the household income and enrolment in an educational institution. (Table no.1)

Table no. 1: School-age population enrolment rate in education between 2010 - 2015

Age group for enrolled population: 19 - 23 years and over	Years				
	2010	2011	2012	2013	2014
	MU: Percentage				
	70.1	59.7	55.4	54.5	66.4

Source: National Institute of Statistics, 2016

Note: "The school-aged population enrolment rate (specific rate of school enrolment by group age) in education represents the total number of students within an age group, regardless of the education level, as percentage of the total resident population of the same age group." (National Institute of Statistics, 2016)

In order to try to solve the issues related to the negative demographic trend and to the aging population, higher education institutions may expand their entrepreneurial orientation and they may focus their activity also on other categories of 'target' clients. They should broaden their horizons and they should start offering different courses to other types of clients such as elderly people (for example seniors), migrants, etc. In the frame of an increased trend for fostering entrepreneurship among seniors and other disadvantaged groups, such as migrants or ethnic groups - especially as a proper mean for social inclusion,

providing entrepreneurial education to these categories may be a viable option. In the same context, besides business related courses, other types of courses may be offered in different areas like nutrition, health, education, sports, foreign languages, etc., depending on the targeted clients.

The decline in attractiveness for university education

In 2015, in Romania there were 567 public and private colleges - that number has increased between 1990 and 2005 (from 186 to 770), and then decreased steadily. In the same year (2015) were registered 99 universities out of which 56 were public and 43 private. Universities face a similar evolution to the one of the faculties: if in 1992 there were only public universities (namely 62), in 1995 started to appear the first private universities (total of universities: 95, out of which 59 public and 36 private), the maximum number being registered in 2000 (total of universities: 126, out of which 59 public and 67 private). After this year, except for 2008, the overall number of universities continues to decline: in case of private universities, from 52 to 43; in case of public universities, their number maintained until 2015, at 56. Thus, there is a paradox: despite the decrease in Romania's population by 14.65% (between 1990 and 2016) and the reduction of approx. 66% of the enrolment rate in education of the population aged between 19 and 23 years old (in 2014), the number of universities increased by 60% and the one of faculties, more than 3 times.

During 2011-2015, the number of students in undergraduate studies decreased by 23.92%, a steeper reduction being registered for private universities - 57.80%, and a smoother one for the public universities - 12.02%. If in 2011, students enrolled in private universities accounted for 26.00% of the total number of students, in 2015 they accounted for no more than 14.43%. Thus, it can be noticed a reduction of their interest in private higher education, and an orientation towards public universities.

Economics is in the top of young high school graduates preferences; approx. 17% of students enrolled in undergraduate degree programs follow studies in the area of economic sciences.

In the context of reducing the number of students enrolled in undergraduate degree programs, a decrease in the graduates of these studies during 2010-2014, can also be observed. In this period, the number of graduates decreased by 54.51% (a reduction of 26.31% in the public universities and of 82.10% in the private universities) (Table no. 2)

Table no. 2: Graduates of tertiary education

Level of education	2010	2011	2012	2013	2014 (with diploma)
Tertiary education	186,900	136,671	111,028	95,022	85,028
Public tertiary education	92,444	92,605	81,081	73,305	68,124
Private tertiary education	94,456	44,066	29,947	21,717	16,904

Source: National Institute of Statistics, 2016

The same situation is also valid at European level, Romania being below the European average of the population aged between 30 and 34 years old that have completed different study programs of tertiary education. Also, the target for 2020 is below the average level registered by the European Union member states a decade ago.

Romanian universities should appeal again to their entrepreneurial side and should focus more on creativity in attracting new potential 'clients', respectively students. Also, a

stronger cooperation with the business environment may be a plus in attracting young students as, generally, they are thinking at following an university as a 'certain ticket to getting a job'.

The unemployment among young university graduates

Due to the increase in unemployment among university graduates, young high school graduates are becoming less interested in following university studies. The analysis of data from the National Institute of Statistics in Romania, outlines that unemployment among college graduates, aged between 25 and 34 years old, recorded between 2011 and 2014 an increase by 56.5%. However, in 2015 it decreased by 24.32%, returning almost on the unemployment rate in 2012. On the other hand, 2016 stands out from the analysed time series; only in its first three quarters it registered an increase in unemployment of graduates, 2.14 times over the previous year.

However, during 2010-2015, in Romania, the unemployment rate among young people aged between 25 and 29 years was below the European average. Also, for example, in 2015, the same unemployment rate was far below the one registered in a series of European Union member states like Greece, Spain, Croatia, Italy, Cyprus, Portugal, and Slovenia.

For overcoming the unemployment related issue, universities should focus more on offering a proper entrepreneurial education to their students. Developing students' entrepreneurial spirit and encouraging them to follow an entrepreneurial career may bring a contribution to the development of entrepreneurship, implicitly to new jobs generation and to decreases in the unemployment rate. On the other hand, a strong collaboration between universities and the business environment may lead to the development of different types of projects - such as traineeship programs - that may help students in getting a job easier after graduation.

The investment in education

The investment in education in Romania (expressed as % of the GDP) is at its lowest level in the European Union. As data from the European Commission through the Eurostat database is not so detailed as in the case of other indicators, the education funding in the European Union is analysed only during 2012, 2013, and, in part, 2014 (Eurostat, 2017b). Romania has the lowest investment in education in the European Union: only 2.64% of the GDP in 2012 and 2.70% of the GDP in 2013. On the opposite, Sweden leads the top, both in 2012 and in 2013 - 7.38% of the GDP in 2012, respectively 7.43% of the GDP in 2013 - being closely followed by Finland - 7.12% of the GDP in 2012, respectively 7.16% of the GDP in 2013. Other countries with low investment in education in the European Union are Slovakia (3.05% of the GDP in 2012 and 4.12% in 2013) and Bulgaria (3.68% of the GDP in 2012 and 4.27% in 2013).

If the Romanian government assigns such low shares of the GDP for education, universities may appeal again to their entrepreneurial side and to try to obtain funds and investments from different sources. The business environment may be a valid option. Furthermore, a good strategy may involve the development of a strong connection with alumni that, in various ways, may 'serve' the academic community that contributed to their development.

Conclusions

Education plays a key role in designing and developing 'healthy' societies. Currently, the academia around the world faces various challenges, many of them quite difficult to overcome. Few examples may include the increased competition from both universities and

organizations that are not part of the education system, but offer different courses, the negative demographic trend, the economic crisis, the massive funding cuts, or the increase in the number of regulations. Different changes occurred over time, somehow, 'pushed' universities to become more flexible and to adapt to different market conditions. They became more oriented towards an entrepreneurial approach and have embraced more the concept of marketization: curricula became richer than ever, students started to be seen as clients, the assessment of students' satisfaction started to be seen as an indicator of the quality of university education, etc. In a way, this damaged the primordial role of universities, namely of raising responsible adults that will leave a mark on the development of their society.

Besides the already emphasised issues, the Romanian academia has been and is still subject to continuous pressure, mainly generated by the increased competition and by the continuous transformations imposed by a number of factors such as the many education reforms, repeated legislative amendments, transfer to universities of administrative activities based on the principle of university autonomy, increased bureaucracy, different systems of assessment, accreditation, certification, etc. Also the negative demographic trend, the decline in attractiveness for university education, the high rate of unemployment among young university graduates, and the poor investment in education are leaving a mark on the development of the Romanian academia. All these factors were analysed in a complex way in the present paper.

During 1989-2016, Romania's population decreased by 14.65%, from 23,151,564 to 19,760,314 people and by 2030 is expected to face a reduction in population nearly by 1.3 million, due to both a negative natural increase and to emigration. In terms of age distribution, the European Union's population faces a progressive process of aging as a result of low fertility rates and of the increase in life expectancy. Romania is confronted with a reduction in the school population ranging between 19 to 23 years old - age range specific to the university studies.

However, despite the decrease in Romania's population by 14.65% (between 1990 and 2016) and the reduction of approx. 66% of the enrolment rate in education of the population aged between 19 and 23 years old (in 2014), the number of universities increased by 60% and the one of faculties, more than 3 times. During 2011-2015, the number of students in undergraduate studies decreased by 23.92%, a steeper reduction being registered for private universities - 57.80%, and a smoother one for the public universities - 12.02%. It can be noticed a reduction of young high school graduates' interest in private higher education, and an orientation towards public universities. Economics is in the top of young high school graduates preferences; approx. 17% of students enrolled in undergraduate degree programs follow studies in the area of economic sciences. In the context of reducing the number of students enrolled in undergraduate degree programs, a decrease in the graduates of these studies during 2010-2014, can also be observed. The same situation is also valid at European level, Romania being below the European average of the population aged between 30 and 34 years old that have completed different study programs of tertiary education.

On the other hand, due to the increase in unemployment among university graduates, young high school graduates are becoming less interested in following university studies. The analysis of data from the National Institute of Statistics in Romania, outlines that unemployment among college graduates, aged between 25 and 34 years old, recorded between 2011 and 2014 an increase by 56.5%, but in 2015 it decreased by 24.32%.

However, during 2010-2015, in Romania, the unemployment rate among young people aged between 25 and 29 was below the European average.

Besides the decrease in the interest of young people in following university studies and the reduction of the number of graduates, Romania academia also faces financial constraints coming from the public authorities. The investment in education in Romania (expressed as % of the GDP) was at its lowest level in the European Union in 2012 and 2013.

This trend can only be harmful to a serious, solid, and prestigious education and students may miss the real education. Policy makers and public authorities, along with universities' top management need to raise awareness on these issues and to strengthen their collaboration. In this context, entrepreneurship - approached from different perspectives - may represent a viable mean for solving the outlined issues.

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