

WHY THE EUROPEAN UNION SHOULD INVEST IN EDUCATION IN CENTRAL AND EASTERN EUROPEAN MEMBER COUNTRIES

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Abstract

What distinguishes Central and Eastern Europe very much in regard to Western Europe is its former common socialist past. The socialist past, which discouraged private enterprises and encouraged the formation of specialists working for the public sector, has led to the education sector being very pronounced in economies in terms of total employees. This situation might change in the future, as the private sector in these countries is becoming a bigger and bigger employer.

However, at present, a great resource can be tapped into – a large population of employed teachers and teaching staff, which together can facilitate the passing of important modern skills to pupils and students.

The premise for investment by the European Union should be towards the fields and disciplines which can have a tangible impact in the modern economy. This does not include only areas such as computer science or economics but also, and very importantly, the cultivation of good communication, soft skills and good collaboration skills. These skills can be taught to pupils by preparing teachers of other disciplines, irrespective of previous disciplines but based on the willingness to acquire new skills and the teachers could later pass the valuable information, skills and approaches to pupils and students.

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1. Introduction

The European Union invests in member states businesses and institutions through different projects such as COSME, HORIZON and others¹. The European Union should

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¹ European Commission, *Funding programs and open calls*, online source: https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls_en, latest access April 2022.

consider investing towards government institutions in Central and Eastern Europe which specialize in education, specifically at high school and undergraduate levels of education. The reasons for this are the multiple.

Education in Central and Eastern European member countries such as Romania is much less expensive at present, compared to Western member states, also taking advantage of the old socialist systems where there are many employed personnel for education. Having the availability of the very important resource of people, the question of raising quality, diversifying quality or even retraining teachers for new skills is possible so that they can afterwards teach pupils and students. Having that, at the moment, there are many new kinds of occupations emerging that require different skills or knowledge than the ones that were necessary decades before, and no formal training can be obtained for these (except maybe for short term programs which are delivered as on the job training and prepare employees much later in their life for a specific role), a logical step can be to prepare these skillsets for pupils and students earlier on, anticipating challenges in their career.

For example, an advantage of the way schooling was done and continues to be done in Romania is based on larger groups of class physical attendance, where pupils take turns to present projects, homework or opinions. This develops direct, interpersonal relations and communication skills such as public speaking, audience rapport, and attractiveness of presentations. These kinds of skills can be very useful later in the professional life if they are exercised, given good contexts and good directions as well as variation for practical purposes. New, more modern skills can also be taught, taking advantage of the already established framework and situation with the key being that these skills can be useful to more modern occupations.

The present situation of education and its challenges

In 2020, Romania had around 172,600 teachers in total, in all forms of education.² For the same year, based on labor statistics from the National institute of Statistics, the total occupied population (total available – unemployed) was of around 8,521,000³ which means that educators formed around 2.02 percent of the total population which is a respectable number, significant not only in education but also as a large employment category and a category that can change the outcomes of elections directly through their

² European Commission, *Education and Training Monitor 2018 Romania*, online source: https://education.ec.europa.eu/sites/default/files/document-library-docs/et-monitor-report-2018-romania_en_0.pdf, latest access April 2022.

³ National Institute of Statistics, *Forța de muncă în România, ocupare și șomaj*, online source: https://insse.ro/cms/sites/default/files/field/publicatii/forta_de_munca_in_romania_ocupare_si_somaj_2020.pdf, page 25, latest access April 2022.

vote and indirectly through influence, some as a consequence of their occupation. In 2018, the teacher population of the European Union as a whole was of 5.2 million.⁴

In Romania, statement 4 of the article 32 of the constitution ensures free access to education⁵. Compared to some other countries in the world such as the United States, the free education also extends to university, undergraduate level, which is a great resource for learning outcomes. This extends equally across many fields, including highly in demand fields such as medicine, informatics, law, foreign languages and economics. Before the fall of the Iron Curtain, access to students of other nations was much more restricted, with a low population of selected students being able to travel within the Eastern Block. Since then, however, universities in Central and Eastern Europe and especially in less costly destinations have begun to see surges of international students.

There are debates whether private education would improve the education system by incentivizing students to be more appreciative of their education due to the fact that they have to pay for it. I disagree with this notion simply based on the fact that this proposition limits the access to education and because even the most uninterested and ungifted students can benefit to some extent from education, while the interested ones can improve their lives to a great degree through education.

Although education is definitely not accountable for all the success possibilities in life, it can greatly influence the ability to succeed; especially when it is done at the beginning of one's working life. Other factors that are very important later on in professional success represent the skills gained through experience but many times also through on the job-trainings, such as frequently done in the private sector of every country in order for workers to attain concrete goals such as performance indicators or the use of machinery and software programs. Education can breach the gap between the formal, non-practical education which was originally focused on educating the person and forming citizens; with the practical education by creating necessary skills in today's economy such as software use skills, communication, organization, tolerance and understanding of other people and cultures.

One of the most important skills that young people need to attain in the modern job market economy is the ability to adapt. More precisely this can mean in many companies the learning of the use of several different software programs, which, at some point in the future also may update their functions. This kind of education can be cultivated by exposure to many software types and the functioning of software from high school and undergraduate level. One can argue that young people are more and more exposed to a variety of software in their life but these are mostly commercial and the key here for

⁴ Eurostat, *Teachers in the EU*, online source: [https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20201005-1#:~:text=In%202018%2C%20there%20were%205.2,%25%2C%203.7%20million%20teachers\).](https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20201005-1#:~:text=In%202018%2C%20there%20were%205.2,%25%2C%203.7%20million%20teachers).), latest access April 2022.

⁵ The Romanian Constitution, *Constituția României*, online source: <https://www.constitutia.romaniei.ro/art-32-dreptul-la-invataura/>, latest access April 2022.

education attainment and national economy development is the learning of the use of enterprise software for direct work or project organizing and planning reasons.

Another important skill to master is the ability to communicate and connect. Many of the young people of the present will need throughout their career to change many job types, especially when working in the private sector, working with a variety of colleagues and superiors, many of which will be international, due to the remodeling of the economy into internationally collaborating business units. This is in sharp contrast to the previous, nationally oriented education that many of the current youth and their parents have participated into during the time of the Socialist Block. Many elements remain from that period and many can be harnessed.

Challenges for the interests of the European Union as a bloc

A key challenge not only of education in the European Union community is how the European Union will invest its resources such as to create a cohesive block and not one where competition is predominant. This is very important because the funds that the European Union invests are gathered from its member states and then redistributed, many of which are transferred from countries which are net contributors to countries which are net beneficiaries. For the purpose of the interest of the subject of the paper, it is to be noted that countries in Central and Eastern Europe are usually net beneficiaries while those in the west are net contributors. In 2020, the highest contribution to the European Union budget by a Western European Union Member was 28,064.3 billion euros by Germany, while the highest contributing member of the former Eastern Block was Poland with 4,881 billion euros, followed by Romania with 2,052.3 billion euros.⁶

In this discussion, since education and later career attainment is important, many times through private sector employment, the question can arise of why the European Union should fund education of future personnel which might later work in businesses which compete with each other at the European Union level. Although this is a possibility, I believe that most of the outcome will results in trained professionals who will take advantage and focus on working in sectors where their respective countries have established economic competitive advantages, thus the outcome will be generally more focused on complementarity, rather than competition. Also, it is very important to note that this will foster the development of skills directly and indirectly of the economy at large, when taken from macroeconomic perspective, as a summed block of individuals and businesses working in the European Union and also in the cases of business competition with other international blocks or countries.

⁶ Statista, *Amount contributed to the budget of the European Union*, online source: <https://www.statista.com/statistics/316691/eu-budget-contributions-by-country/>, latest access April 2022.

Professionals working for the European Commission have before attempted to understand the role of Central and Eastern Europe within both the union and the world.⁷

The transition of national economies

An important question if we can look at the perspective as a block is what Central and Eastern Europe can specialize in. The answer to this lies by studying the past.

During the times of the Iron Curtain, the economies in Western Europe which had already possessed industrial and manufacturing capacities as well as working consumer markets and stock markets, had shifted their focus to services, and later internationally integrated services and computerization. This was mainly due to the fact that the geography and good work organization had previously provided sufficient agricultural output, resulting later in the industrialization and then the emergence of the service sectors.⁸

By contrast, before the 2nd World War, Central and Eastern Europe states, although possessing manufacturing as well as developed commercial and intellectual lives, had not seen the emergence of organized industry to such a large extent as the West, nor the emergence of standardization and the enlargement of capitalist markets and exports.

After the 2nd World War and with the emergence of the Iron Curtain, the decades that followed were focused on industrial development, resulting in rapid development and enlargement of industrial output by historical perspectives. A sharp contrast to the development of industry exists between east and west. While the industry in the west was more fragmentary, being led by families of businessmen or business professionals as different levels of management, the industry in Central and Eastern Europe was, under the socialist block, organized as large, nationally unitary conglomerates of industry, led by government professionals or politicians. The organization was also centrally planned as opposed to local and resource based; and strategic, with resource allocation being done from top to bottom, many times for reasons of political capital gain as well as nationalistic ideas, or sometimes, even the compensation of regional discrepancies between provinces in a country^{9, 10}.

⁷ Gábor Márk Pellényi, European Commission, *The Role of Central & Eastern Europe in Global Value Chains: Evidence from the Occupation-Level Employment Data*, online source: https://ec.europa.eu/info/sites/default/files/economy-finance/eb062_en.pdf, latest access April 2022.

⁸ ECSIP CONSORTIUM, 2014, *Study on the relation between industry and services in terms of productivity and value creation*, ECSIP CONSORTIUM, published at 30th October 2014, Vienna, pages 1-61.

⁹ Market Business News, *What is political capital? Definition and meaning*; online source: <https://marketbusinessnews.com/financial-glossary/political-capital-definition-meaning/>, latest access in April 2022.

¹⁰ EconomicsHelp, *Central Planned Economy*, online source: <https://www.economicshelp.org/blog/glossary/central-planning/>, latest access in April 2022.

After the fall of the Iron Curtain, countries in Central and Eastern Europe found themselves in a situation needing to reorganize economically as well as culturally, changing the values that they reward and teach. A cornerstone of this was the step from one type of extremist thinking to another, from the idea that business and private gain is evil and should be banned due to exploitation, to ideals that business is everything and life can focus only on practicality, laissez faire capitalism abandoning intellectual traditions.¹¹

The integration of Central and Eastern European countries in the European Union was done with some difficulties¹² and some blockages for the interest of not competing economically or in terms of labor force by blocking the rights of migration through the right of labor by delaying labor rights for Central and Eastern European Union citizen as was the case of the United Kingdom, blocking worker rights for citizens of Romania and Bulgaria between the year of their adhesion and the year 2014, delaying this right for 7 years.¹³

The period between 2003 and 2022 has seen significant geopolitical and geoeconomical factors influencing Central and Eastern Europe: Integration in the European Union and having to adapt to different legislation and a different economic system, the financial crisis of 2007-2008, years of integration and labor migration (including issues of currency appreciation and remittances from abroad, usually in Western or Southern Europe) and later the impacts of the Brexit and the Covid pandemic.

A useful issue to analyze for the future is what to specialize in now on a country level for Central and Eastern European countries. Broadly speaking, each country has historical and geographic competitive advantages. While some markets in the European Union like the markets for food can seem oversaturated, new products emerge frequently when a good niche is targeted. As well, they can specialize in new fields such as informatics and the unique advantage of this kind of specialization in regards to regional policy is that, it can be a point for international collaboration. For example, companies from small to large are well established in Western Europe but, due to a large demand of workers in these kinds of fields¹⁴, as the job market continues to expand and diversify, can use specialized workers from Central and Eastern Europe who can now, thanks in part to the adaption necessary in the Covid pandemic do remote work, while remaining in

¹¹ Investopedia, *Laissez-Faire*, online source: <https://www.investopedia.com/terms/l/laissez-faire.asp#:~:text=Laissez%2Dfaire%20is%20an%20economic%20philosophy%20of%20free%2Dmarket%20capitalism,governments%20are%20involved%20in%20business>, latest access in April 2022.

¹² European Commission, *From 6 to 27 members*, online source: https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/6-27-members_en, latest access in April 2022.

¹³ BBC, *Bulgarians and Romanians free to work in the UK as controls end*, online source: <https://www.bbc.com/news/uk-politics-25549715>, latest access in April 2022.

¹⁴ ABBS School of Management, *Demand for business analysts on the rise*, online source: <https://www.abbsm.edu.in/demand-for-business-analysts-on-the-rise/>, latest access in April 2022.

their original member states and not interfering with local culture and population development in the West.

Conclusion

This article has described the evolution of macroeconomic changes in Central and Eastern Europe as well as changes in the private sector job market. A challenge for European Union funding is to find key sustainable sectors to invest in for the long-term and investing in education so that workers in Central and Eastern Europe acquire the necessary skills for the economies of the future, giving them a career boost and ensuring a cohesive European Union as well as one which is competitive as a block, is a lucrative investment that I argue, deciders should approach.

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