

European Commission
Directorate-General for Economic and Financial Affairs
Economic Policy Committee

**Efficiency and effectiveness of public
expenditure
on tertiary education in the EU**

**ANNEX : COUNTRY FICHE
ROMANIA**

**Joint Report by the Economic Policy Committee
(Quality of Public Finances)
and the Directorate-General for Economic and Financial Affairs**

Table of contents

Brief characterization of the tertiary education system	3
1. <i>Main features</i>	3
2. <i>Structure of institutions and funding arrangements</i>	5
3. <i>Governance and regulatory framework</i>	5
4. <i>System's strengths/ weaknesses</i>	6
Explanatory factors for efficiency	7
1. <i>Staff Policy</i>	7
1.1. <i>Hiring/Firing</i>	7
1.2. <i>Wages</i>	7
2. <i>Output flexibility</i>	7
2.1. <i>Course content and exams</i>	7
2.2. <i>Offer of short studies and other diversifies studies</i>	7
2.3. <i>Student choice</i>	7
2.4. <i>Numerus clausus</i>	8
2.5. <i>Regional/ European/ global mobility</i>	8
3. <i>Evaluation</i>	9
3.1. <i>Institutional evaluation</i>	9
4. <i>Funding rules</i>	10
4.1. <i>Public funding</i>	10
4.2. <i>Impact of quality assessments on funding</i>	10
4.3. <i>Private funding</i>	10
4.3.1. <i>Tuition fees and/or households</i>	10
4.3.2. <i>Business, other</i>	11
4.3.3. <i>Grants/loans</i>	11
5. <i>Impact on Employability</i>	11
6. <i>Recent and planned reforms of the tertiary education system</i>	11
6.1. <i>Description of recent reforms</i>	11
6.2. <i>Planned reforms (or reference to ongoing policy debate)</i>	12

Brief characterization of the tertiary education system

1. Main features

The tertiary education system in Romania consists of three levels or cycles, namely Bachelor programmes, Master's programmes and PhD programmes. Students who have graduated from a secondary institution or a high school may apply for admission to a Bachelor programme according to the individual admission methodology of each university and study program. A person can enroll as a state-funded or as a fee-paying student. Higher education in Romania has as its main legal basis the Constitution of Romania and is regulated by the Law of Education no. 84/1995 and other complementary legislation. There are 56 public and 61 private institutions offering various higher education programs. All of these institutions are guaranteed extensive autonomy by the state and are governed by the national legislation and their own charters. All the institutions of higher education must undergo a process of accreditation, supervised by the Romanian Agency for Quality Assurance in Higher Education (ARACIS), an advisory, independent, body, whose main mission is the external evaluation of the Romanian higher education's quality, at the level of study programmes. Public universities secure their funding through different kinds of projects, research activities and fees, as well as through grants from the Ministry of Education, which are awarded in accordance with a methodology developed by the National Council for Higher Education Funding (CNFIS). This methodology takes into account several indicators, representing a mixture of per capita and quality based financing. The Ministry of Education is responsible for the implementation of the higher education policies and strategies, which are guided by the Bologna Process and the national priorities. Currently, a bill for a new law of education to include all the recent developments in the Romanian educational sector is under discussion.

1/ TEACHING	Romania										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Academic staff per 1000 inhabitants relative to the average	:	0.78	0.85	0.89	0.98	1.07	1.09	1.1	1.5	1.4	1.5
Number of students per 1000 inhabitants	11.1	12.4	14.4	17.1	20	23.2	24.9	26.7	38.6	43.0	49.1
Number of students (graduate and post-graduate) per 1000 inhabitants	:	:	:	:	:	:	:	:	:	:	:
<i>From public institutions</i>	:	:	:	:	:	:	:	:	:	:	:
<i>From private government-dependent institutions</i>	:	:	:	:	:	:	:	:	:	:	:
<i>From private independent institutions</i>	:	:	:	:	:	:	:	:	:	:	:
Ratio of students per academic staff	:	15.9	16.9	19.2	20.4	21.7	22.8	24.3	26.5	30.3	33.1
Number of graduates per 1000 inhabitants	2.09	1.93	2.16	2.44	3.21	4.92	5.35	5.65	8.10	9.56	14.48
Ratio of graduates per 1000 academic staff	:	2.5	2.5	2.7	3.3	4.6	4.9	5.1	5.5	6.7	9.7
Standardized recruiter view indicator (graduates' employability as perceived by recruiters)	:	:	:	:	:	:	:	1.47	:	:	:
Standardized peer view country indicator (quality perceptions among peers)	:	:	:	:	:	:	:	1.58	:	:	:
PISA scores	:	:	410	:	:	:	:	:	:	:	:
Average total time spent by students in order to obtain a BA degree	:	:	:	:	:	:	:	:	:	:	:
Average total time spent by students in order to obtain a MA degree	:	:	:	:	:	:	:	:	:	:	:
Remuneration of a tenured university professor with 10 year seniority	:	:	:	:	:	:	:	:	:	:	:
2/ RESEARCH											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Publications per 1000 inhabitants	0.03	0.04	0.04	0.04	0.05	0.06	0.06	0.06	:	:	:
	1998-2002	1999-2003	2000-2004	2001-2005	2002-2006	2003-2007					
Quality of research (position in the ISI citation index)	1.45	1.52	1.58	1.63	:	:					
% of research done in cooperation with industry	:	:	:	:	:	:					
3/ EXPLANATORY FACTORS FOUND RELEVANT FOR EFFICIENCY											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Main categories of composite indicator											
Funding Rules Indicator	:	:	:	:	:	:	:	:	:	3.1	:
Evaluation Indicator	:	:	:	:	:	:	:	:	:	5.3	:
Staff Policy Indicator	:	:	:	:	:	:	:	:	:	8.3	:
4/ EXPENDITURE											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total public expenditure on tertiary education institutions as a percentage of GDP	:	:	:	:	:	:	0.70	1.24	1.34	1.65	:
Total expenditure per student (€)	:	:	:	:	:	:	:	:	:	:	:
Private expenditure on tertiary education institutions as a percentage of GDP	:	:	:	:	:	:	:	0.42	0.44	0.53	:

Total expenditure on education as a percentage of GDP	:	3.36	2.88	3.28	3.52	3.44	3.29	4.03	4.78	4.83	:
Private expenditure on education as a percentage of GDP	0.18	0.31	0.25	0.22	0.16	:	:	0.46	0.48	0.57	:
Funds from non-public sources as % of total income (fees, earned income, investment, other)	:	:	:	:	:	:	:	:	:	:	:
Tuition fees as average of the cost of tuition	:	:	:	:	:	:	:	:	:	:	:
Percentage of funds received by private government-dependent institutions from public sources	:	:	:	:	:	:	:	:	:	:	:
Total public expenditure on grants, loans, and other programmes to cover education and/or maintenance of students (universal programmes / by categories such as merit or socio-economic status)	:	:	:	:	:	:	:	:	:	:	:

Source: Eurostat, OECD, UOE and Member States.

2. Structure of institutions and funding arrangements

The higher education institutions in Romania fall into two categories: public and private independent institutions. Both public and private universities may levy tuition fees, however, public universities have a number of state-funded places for students. The range of education objectives varies and several universities distinguish themselves through their vocational programmes, others through their research. Usually and especially in bigger universities, vocational and research programmes coexist. According to article 80 of the current Law of Education no. 84/1995, universities may organise activities of research, development, innovation, artistic creation, consulting, production, or their own research units with other juridical persons from inside the country or from abroad. Consequently, higher education institutions may develop ties with local authorities or with business agents. Also, the provisions of the Section 7 of the Law of Education stipulate a large degree of autonomy for higher education institutions as regards the pedagogical, scientific and financial areas. The higher education autonomy consists of the right of the academic community to rule themselves, to exercise their academic rights without interference from political or religious bodies, to take over/charge of the whole of competences and obligations established by law in agreement with the national strategies for the development of higher education.

3. Governance and regulatory framework

The central law that creates the framework and applies to higher education is the Law of Education no. 84/1995, with subsequent amendments. There is also a number of other laws regarding higher educations, such as Law no. 288/2004 concerning the organization of the higher education, accompanied by secondary education, such as Government Decisions, Ministerial Orders and so on, regulating specific issues. Each year the government approves the total number of study grants per study area and per university study cycle that it will fund

based on the country's economic and social development requirements. The Ministry distributes the study grants to universities depending on quality indicators and institutional capacity through a Ministerial Order. Each university senate then distributes the study grants to study programs and study cycles according to its own strategy.

The staff in public and private universities is recruited by each university, depending on their specific needs and following their own procedures, with prior consent from the Ministry of Education, which supervises if the positions are sustainable in terms of number of students and academic programmes available. This applies only to full tenure positions and, as a rule, the Ministry of Education does not interfere with the overall recruitment procedures. Higher education institutions have complete freedom to establish their study programmes, curriculum content, or research priorities.

The status of institution of higher education is given by a law concerning directly that institution, upon meeting several criteria, among which, the most important are the provision of at least three distinct academic programmes, with the proof that they have the necessary student base and the qualified staff, as well as the material resources. The programmes of study are assessed and given provisional authorisation by the independent Romanian Agency for Quality Assurance in Higher Education (ARACIS), which has a monitoring role. The first three batches of B.A. students are to take their graduation exams with an external commission or at a different, accredited, institution of higher education. Then, a new assessment is performed by ARACIS and, if all the requirements are met, the programmes receive accreditation and the right to organise their own graduation exams..

4. System's strengths/ weaknesses

The teaching load of university staff depends on the level of qualification of each teacher, ranging from a minimum of 10 hours per week for a teaching assistant to a minimum of 4 hours per week for a professor. One of the weaknesses of the system is that, due to relatively lower wages and an underdeveloped system of incentives, the staff takes on a bigger load of teaching, leaving little room for their mentoring or research activities. The supervision of the Ministry of Education as to the recruitment of university teaching staff can be both beneficial, because it may prevent possible abuse or miscalculation on behalf of the universities, and detrimental, because, sometimes, the Ministry of Education does interfere with the number of vacant positions a university is allowed to put forward. A big strength of the system is the high qualification of most of the academic staff, in general, but this, too, comes with the relatively low absorption of young teachers and a lack of flexibility in terms of recruitment. Also, the alternative sources of funding, European Structural Funds included, and the possibility of developing research units cooperation with economic agents are not fully exploited by universities.

Explanatory factors for efficiency

1. Staff Policy

1.1. Hiring/Firing

Higher education institutions have autonomy as regards hiring academic staff and dealing with personnel matters. However, when advertised as vacancies to be filled, full-tenure teaching positions have to prove viable in the long run, in terms of availability of study programmes to be taught and/or research to be conducted. The availability of study and research programmes for full-tenure staff in each higher education institution is supervised by the Ministry of Education. Consequently, it is difficult to dismiss the full-tenure staff, except for serious disciplinary issues. As far as short-term contracts are concerned, universities may hire or dismiss their personnel according to their own need.

1.2. Wages

There is a standard pay scale, which sets the wages corresponding to each teaching position nationwide. In addition to the wages set by law, universities may offer their staff incentives and bonuses, for example, in the case of the leadership or management positions, and all the staff may receive research grants from private or public institutions.

2. Output flexibility

2.1. Course content and exams

Universities are free to decide on the content of the courses and the study programmes they offer, as well as to select their educational and evaluation methods, provided that the study programmes go through an accreditation process, which ensures they meet the quality criteria.

2.2. Offer of short studies and other diversifies studies

Tertiary education institutions may and do offer short study programmes in varied disciplines, although these programmes are not well established nor offer a degree. This kind of programmes is usually offered on demand.

2.3. Student choice

Each study programme is made up of quite a wide range of courses to choose from, although the curriculum is not very flexible for certain fields of specialisation such as medicine and law. In general, the curriculum for a particular programme consists of several compulsory

courses that ensure expertise in that particular field of activity and a few optional courses, which may belong to a different programme of study. Students may choose from the optional courses available at the beginning of each academic year. They may technically opt for a different programme of study before graduation, usually a programme related to the one they initially enrolled in, but, upon graduation they must have passed through all the compulsory courses that are part of the curriculum of the new programme.

There are study programmes in many higher education institutions that are specifically designed for part-time students and distance-learners, however, the students who do not meet the formal admission criteria, for example, diplomas that certify the attendance of formal schooling at primary and secondary levels, won't be accepted to register in a degree programme.

Lifelong education is not a developed area of the education system and all the students. Irrespective of their age, must give evidence that they have graduated a secondary education institution or high school before enrolling in a degree programme in a tertiary education institution. Those who are graduates in a discipline may apply for any other programme of study and they may change their field of specialisation if they have a certain education in any other education programmes. There is not a tradition in the area of recognition of informal training activities, but the new bill of education that is under discussion has ample provisions in this respect.

2.4. Numerus clausus

There are no academic fields into which entry is restricted or rationed by national or regional regulations.

There is no numerus clausus as such in tertiary education in Romania. There are a number of places in universities reserved for underprivileged minorities

2.5. Regional/ European/ global mobility

There are no available data reflecting the percentage of students enrolled in tertiary education institutions outside their region of upper secondary graduation.

There are no statistics regarding the number of students living with their parents.

Many students live with their parents during their tertiary education studies because, in this way, they reduce the overall costs of their studies; other students choose to live with their parents during their studies because they want to.

There is no official limit to the transfer of students between programmes and between different higher education institutions. The transfer of students pertains to the decisions of the institutions at which the students are registered.

In the academic year 2008-2009, the National Centre for the Recognition and Equivalence of Diplomas (CNRED) processed 11,937 requests on behalf of students with upper secondary education obtained outside Romania, which represents ... % of the overall population in higher education. In the academic year 2009-2010, the centre mentioned above has so far processed 3,626 requests on behalf of students with upper secondary education obtained outside Romania that is...% of the overall population in higher education.

According to the legislation in force, any student from other EU member states is allowed to register at a tertiary education institution and is subject to the same rules of admission as Romanians. The average length of the procedure of recognition of diplomas is 20 days and its cost is 20 RON (approximately 5 EURO).

The teachers and researchers who have obtained their qualifications in other EU member states may have their diplomas recognised by the National Centre for the Recognition and Equivalence of Diplomas (CNRED). The length of the procedure of recognition of their diplomas is 45 days and its cost is 50 RON (approximately 12 EURO).

More and more higher education institutions have developed partnerships and cooperation programmes with institutions in other regions and EU member states and the studies of the students who participate in exchange programmes may be recognised according to the European Credit Transfer and Accumulation System.

3. Evaluation

3.1. Institutional evaluation

The quality assessment of research centres and study programmes within higher education institutions is conducted by the Romanian Agency for Quality Assurance in Higher Education (ARACIS) which is registered in the European Quality Assurance Register for Higher Education - EQAR. ARACIS is an autonomous public institution, of national interest, whose main mission is the external evaluation of the Romanian higher education's quality, at the level of study programmes, as well as from the institutional point of view. The quality assessments are publicly available and as a result of the evaluations made by ARACIS some institutions may cease to organise tertiary education programmes if they do not comply with the quality criteria set by law. International experts may technically be involved in evaluation processes. There is no stakeholder or evaluations made by students, but there are several NGOs in the field of education that conduct their own quality assessments of the tertiary education institutions. Also, the Ministry of Education has a role of supervisor of the entire process of education and can make conduct its own inquiries to the extent granted by law and without infringing on the autonomy of the higher education institutions.

4. Funding rules

4.1. Public funding

Mechanisms of public funding for higher education teaching:

- Funding of education (and research) is established for the fiscal (calendar) year by law, as part of the total State Budget
- Education is funded on an annual basis with 6% of GDP, according to the Law of education;
- There are no special legal provisions on the percentage from GDP allocated to HE;
- Criteria followed in the allocation of the public funding (for state universities):
 - Core funding: dedicated to the educational process (salaries, running costs etc.) based on the following parameters:
 - a) Student numbers (for 70% of the core funding)
 - Equivalent student number: student number X equivalence coefficient (full time, part time etc.)*
 - Equivalent unitary student number: equivalent student number X cost coefficient (per teaching subject)*
 - b) Performance criteria and institutional factors (for 30% of the core funding), for example see the Table “*The structure and the shares of the quality indicators system*” and the Table “*The structure and the shares of the IC6 indicator*” from Annex.

4.2. Impact of quality assessments on funding

At present, external quality assessments performed by ARACIS do not have impact on funding. In the project of the Law of national education there are proposal in that sense. Quality assessments of CNFIS and CNCSIS are part of the performance criteria and are included in allocation of the 30% of the core funding.

4.3. Private funding

4.3.1. Tuition fees and/or households

Tuition fees (costs of education) can be charged by private universities; for state tuition fees can be charged for:

- students enrolled in addition to those who are supported by the state budget; the total number of students (state supported plus tax paying - dual track funding systems) should not exceed the number of students who can be enrolled observing quality criteria established by ARACIS;
- other students who exceed the prescribed number of academic years assigned to particular study programs, by law or Government decisions (i.e.: repeat years et.) or did not succeed in passing the examinations etc.

4.3.2. Business, other

Universities are allowed to obtain extra funding from contracts (i.e. with industry), research activities, and sponsorships.

Universities enjoy autonomy and flexibility in contracting research or other sources with industry and can spend this additional funding according to university autonomy.

4.3.3. Grants/loans

The Agency for Student Loans has been created in 2009, no loans yet awarded.

Unfortunately the present state of the economy allows only for limited resources to be contracted with universities.

5. Impact on Employability

There are no available data showing the unemployment rates among tertiary education graduates relative to individuals with upper-secondary attainment.

Higher education institutions may cooperate with economic agents and organise joint training programmes. Also, universities may conclude agreements with various institutions and companies with the view of ensuring their students internships or traineeships. However, usually, with exceptions, there are no definite arrangements in place, which can ease the transition from the education institutions to the labour market.

6. Recent and planned reforms of the tertiary education system

6.1. Description of recent reforms

Recent reforms in the tertiary education system have aimed at aligning Romania's education to the Bologna Process and becoming part of the European Higher Education Area, including participation in the European Credit Transfer and Accumulation System. Consequently, the tertiary education system in Romania has been re-organised into three levels or cycles: the first cycle consists of Bachelor programmes that, as a rule, take 3 years to complete; the second cycle is made up of Master's programmes that usually last 2 years to complete; and the third cycle consists of PhD programmes that usually take 3 years to complete. The total number of transferable credits at the end of the first two cycles must be 300, while the minimum number of credits necessary to graduate the first cycle is 180. The European Credit Transfer and Accumulation System is compulsory for all tertiary education institutions as is the obligation to issue, for free, diploma supplements besides diplomas, including copies in a foreign language, to all graduates. These measures are stipulated in Law no. 288/2004 concerning the organization of the higher education, as well in additional laws. Another recent development is the creation of doctoral schools within higher education institutions.

6.2. Planned reforms (or reference to ongoing policy debate)

At present, a bill for a new law of education is being debated by the government, parliament and other stakeholders. The new law is likely to produce major changes in the tertiary education.

Higher education institutions may merge with or will be taken over by other institutions to provide higher quality programmes and optimize the management. Multicultural universities may be established and may benefit from higher funding coefficients for the students belonging to a national minority who attend courses in their native language.

The curriculum of each study programme in higher education will be in agreement with the National Framework of Qualifications in order to ensure quality. The completion of doctoral studies will award students two types of degrees: scientific PhD degrees and professional PhD degrees, depending on the focus of the studies, either theoretical or applied/practical.

Also, postdoctoral programmes will be clearly defined and given a formal framework.

Critical reforms concern the area of lifelong and informal learning. In the law of education to be enacted, lifelong education is given a clear definition, more importance, and a set of rules. The National Framework of Qualifications will set the criteria corresponding to specific levels attained through informal study or work experience. Thus, any prior education or professional competence can be evaluated and used in various contexts, including for admission to or equivalence of tertiary education. The Ministry of Education, Research, Youth and Sports will set the methodology for the recognition of the non-formal and informal learning so as this may be turned into lifelong credits.