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The Romanian Higher Education System: Assessing the Comparative Advantages

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Introduction

As a professor of higher education with a keen interest in higher education systems, I pay attention to institutions' welfare and performance within their ecosystems. Therefore, it has been a privilege to have a firsthand experience of the Romanian higher education system a little over a year ago. Last year, I was invited by the DC Media Group to reflect on the higher education law. Given the short notice, my newness to the system, and the language barriers, I provided a personal commentary on what lessons I hope the law borrows from the United States system. The choice of the U.S. was based solely on its overwhelming share of the globally ranked top 100 best institutions in the world by the UK Times Higher Education, the Shanghai List, and the US News and World Report's rankings. I noted that while a wholesale adoption may be inadvisable, a strategic adaptation of relevant features of a world class higher education system would be prudent.

I received an invitation exactly 21 days ago to join this group again and I must express my gratitude to the organizers for the invitation. An annual conference on higher education is indeed an important service to the nation and I hope that the conference will continue to expand. Back home in the U.S., those of us leading higher education institutions and the policy makers have several opportunities annually to get together and deliberate over the higher education affairs.

Today, I intend to focus on the Romanian higher education system's comparative advantages and how best to capitalize on these advantages. I should caution, as any careful scholar should do, that my limitations regarding longevity in the system and language barriers are shortcomings that may impact the perspective herein presented.

Important Observations

Romania is a member of the Black Sea countries and a former member of the communist nations; hence some features commonly found in the former Soviet Union countries are still traceable. Romania has a unitary higher education system. Given its communist past, Romania is relatively new to the private higher education system.

My observations over the years of countries such as Russia and China with communist background reveal some similarities. First, Higher Education in these countries tends to be more centralized. Second, there is a tighter control by the government through the ministry of education. Third, the public higher education sector is well developed. Fourth, the private higher education is relatively new, less developed, and often treated as an inferior stepchild. Fifth, there is little or no government support for the private higher education institutions. Sixth, the private higher education sector is in no position to strongly compete with the public higher education sector.



Seventh, the privileges enjoyed by the public higher education diminish the incentive for the public institution leaders to cooperate and collaborate with the private higher education. Eighth, in an attempt to regulate for quality, the government puts heavier financial constraints on the private higher education sector. Ninth, to defray these costs, the private higher education institutions pass increased costs to students, making their offering less attractive to prospective students. Tenth, this scenario may force some private higher education institutions to struggle and scramble, and in some cases titter toward the so-called diploma mills.

In China for example, it is only after the public institutions have admitted the good students that whatever is left over is allocated to the private institutions, a situation that makes them, even if by appearance alone, secondary and inferior. Private institutions also find it extremely difficult to get approval to offer graduate degrees in China. In this scenario, it is practically impossible for private institutions to rank equally as the public ones, especially given the fact that ranking criteria are mere indicators of institutional wealth and access to resources. The richer an institution, the higher it ranks, lending credence to the adage, *wealth is the ability to fully experience life* (Henry David Thoreau). Two weeks ago, I was in Beijing, Xian, and Qingdao meeting with higher education leaders with whom I have been working for almost two decades and I observed some progress with the private higher education sector. It seems that the Chinese policy makers do pay attention to and act on recommendations from conferences such as this.

Comparative Education Versus Comparative Advantage Analysis

Historically, educators, especially higher education scholars, have always been interested in comparative education. By definition, comparative education is an analysis of differences and similarities of educational systems with specific focus on organizational structures, policies, governance, funding, and key performance indicators. Comparative advantage analysis, on the other hand, examines comparative strengths of one system over another with the sole purpose of capitalizing on these strengths. The focus of this presentation is on the comparative advantage of the Romanian higher education in hope of further capitalization.

Comparative Advantage of Romanian Higher Education

As stated earlier, a comparative advantage analysis requires an assessment of one higher education system against another. In this case, we ask, to what extent is the Romanian higher education generating net “value” over other higher education systems? How competitive is the Romanian higher education? To answer the question, we must ask, what are the ultimate expectations of the system anyway? What is the interest of the nation in its higher education?

Table 1 below provides a summary of important higher education goals. It is important to note that the interest and priority of the government, the general public, and the academic may differ on each of the goals. For example, while the government may be interested in short term goal achievements, long term goal may be higher a priority for the academic community.



Table 1: Overall Goals of Higher Education

Higher Education Goals	Comments
Accessibility	The degree to which those qualified gain admission. It is in the interest of the government, the public and the academic community to ensure enough space to absorb the demand for higher education.
Preparation for the Labor Force	While the government is interested in job creation and the public seeks employability, there is always a debate as to the degree to which higher education should be a preparation for specific Labor rather than preparation for Life.
Contributions to the stock of knowledge	Both the government and the public may appreciate contributions to the stock of knowledge, but this is one of the highest goals of the academic community.
Contributions to the national priorities	Government funding of higher education is always influenced by politics, which is the interpretation of national priorities. The public may struggle between real priorities and political priorities, while the academic community often wish that funding is not dictated by politics.
Serving as the economic engine	Government and politics require short term demonstration of economic growth, the public may struggle with the link between economic performance and higher education productivity. The academic community, on the other hand, would want its contributions assessed on the long run rather than by the short term economic performance.
Preparation of the next generation of thinkers	Both government and public are interested in “thinkers” to the extent that they do not upset the apple cart. This is one of the highest priorities of higher education to produce critical thinkers, divergent thinkers, innovative thinkers, and thinkers by all means.
Strengthening the social fabric of the nation	Government, the public, and the academic community all hope that the higher education system strengthens the social fabric of the nation.
Transformation of Civilization	While there is a general expectation that the higher education will transform civilization, the speed of transformation could be perceived as a threat by government and the public.



A higher education system that is fulfilling all the goals listed above is effective and worthy of the nation's investment. However, it is one thing to fulfill national goals and a different thing to have a comparative advantage over other systems.

The Comparative Advantage Domains

Comparative advantage analysis goes beyond higher education goal analysis. It requires an analysis of one system against other higher education systems. The domains of relevance for such analysis are provided on Table 2 below:

Table 2: Relevant Comparative Advantage Domains

Advantage Domains	Interpretations
Accessibility Advantage	Measured by the degree to which those qualified are able to gain admission into the academic programs of interest to them. Spatial advantage
Affordability Advantage	Measured by the relative low cost of obtaining education as compared to other systems. Tuition/cost advantage
Academic Advantage	Measured by the attractiveness of Romanian degrees to other nationalities. Quality/World Ranking advantage
Geographic Advantage	Measured by the standing among the Black Sea / Eastern European higher education systems. Regional advantage for studying
Cultural Advantage	Measured by the attractiveness of the Eastern European region—touristic advantage. Diversity advantage
Economic Advantage	Measured by the total cost of the system and the degree to which the Romanian higher education system is able to attract and pay world class scholars.
“Affiliational” Advantage	Measured by the degree to which the system operates with and is accepted by other systems—the European Union advantage and the international advantage



Assessing the Advantages

Table 3 provides an anecdotal assessment of the Romanian higher education relative to the advantage domains listed on Table 2. Obviously, this exercise is meant to provoke conversations among scholars as we debate the logics and veracity of my propositions, pending long term empirical investigations.

Table 3: Anecdotal Assessment of Romanian Higher Education System

Advantage Domains	Assessment of the Romanian Higher Education	Interpretations
Accessibility Advantage	High	Measured by the degree to which those qualified are able to gain admission to the academic program of interest to them. Spatial advantage
Affordability Advantage	Very High	Measured by the relative low cost of obtaining education. Tuition/cost advantage
Academic Advantage	Up and Coming	Measured by the attractiveness of Romanian degrees to other nationalities. Quality/World Ranking advantage
Geographic Advantage	Potentially High	Measured by the standing among the Black Sea higher education systems. Regional peace advantage
Cultural Advantage	Potentially High/Up and Coming	Measured by the attractiveness of the Eastern European region—touristic advantage. Diversity advantage
Economic Advantage	Mixed Review	Measured by the total cost of the system and the degree to which the Romanian higher education system is able to attract and pay world class scholars.
“Affiliational” Advantage	High	Measured by the degree to which the system is accepted by other systems—the European Union advantage, and international advantage



Accessibility Advantage

In my assessment, the Romanian higher education system is big and diverse enough to absorb internal demand by those who are qualified. Data shows diminishing traditional age students, leaving space to be filled in the system. Although it appears that the desire to go overseas for higher education among the young ones is abating, there is still room for institutions to absorb the demand. Accessibility advantage is not only an issue of space availability, but a desired space. The Romanian higher education system is comprehensive with almost all the majors of the world available in country. Most qualified prospective students are, therefore, able to gain admission into program of interest to them. Without the external imposition of limits on enrollment, I am confident that the private institutions would declare that they have more room to absorb additional demand. For example, Danubius University was once reported to have almost 10,000 students and today, it has less than half of that.

What about external demand? The Romanian higher education system is dynamic enough to respond to external enrollment demand. There is a growing interest among prospective international students in the Romanian higher education institutions. I have witnessed this interest in Pakistan, China, and some African countries. There is a growing number of Italians seeking further education in Romania. Accessibility advantage is high given the availability of space to absorb growing demand for Romanian higher education.

Affordability Advantage

Affordability advantage is the measure of the degree to which most students can afford the cost of education. The cost of education is defined as tuition, fees, and room and board, that is, all the costs associated with their education. In Romania, students pay less than \$2000 (US) in one academic year! My daughter graduated from New York University with a whopping \$80,000 per year! Coming from the US, I had the greatest sticker shock of the opposite reaction looking at the tuition per year at higher education institutions in Romania. As a professor of higher education finance. I know what it costs to operate institutions and I often wonder how it is possible for these institutions, especially the private ones to survive.

The highest comparative advantage of the Romania higher education system lies in its low cost of attendance. Even at the private institutions, the highest tuition is still under \$3000 per year. Of course, it is important to factor in cost of living, the general low wage environment, but even with that, the low tuition is a huge attraction that has not been leveraged adequately, especially at the international level. Therefore, the Romanian higher education affordability advantage is very high.

Academic Advantage

Academic advantage is the extent to which the academic offerings of a system are attractive to potential students. What makes academic offerings attractive are many: comprehensiveness of offerings, ease of obtaining degree, quality of degrees, reputation, and employability are



some of the elements to be considered. Like any country, there is a wide range of quality ranging from the top tier institutions to those that are struggling.

If we were to use world rankings as a surrogate for academic advantage (and that doesn't tell the whole story), Transylvania University of Brasov is the first in Romania ranked number 710 among the top world universities.

Undoubtedly, Romania has high quality institutions, but institutions are not marketed the way we do in the United States; hence, my assessment is an up-and-coming academic advantage. There is also some work to be done to transform pedagogy beyond theories to more experiential and practical education, study abroad, integration of sports and campus life—all those things that make education not only fun but life changing experiences.

Geographic Advantage

As a member of the Black Sea countries, Romania's location offers tremendous touristic opportunities. Although Romania sits nervously close to Russia, it is a peaceful country, a member of NATO with a long historical background. I often find this point difficult to convince Americans who ask me why Romania given the closeness to Russia and Ukraine. Romania is a peaceful place to study, and an attractive place to explore the Eastern European landscape and terrain. There is so much to do in this region, from the exploration of the mountains to water related sports. Good marketing of an institution also markets its location. There is indeed an underdeveloped geographic advantage.

Cultural Advantage

Closely akin to the geographic advantage is the cultural advantage. History, language, religion, and traditions of Romania provide a tremendous learning opportunity for international students. I learned that I was the first American to bring a large cohort of American students to Galati as part of their study abroad experience. The feedback from students was overwhelmingly positive. When asked, if they would recommend it to future American students, their responses were in the affirmative. The cultural advantage is up and coming as the nation continues to improve its touristic attractions, provide culturally relevant curricular, and market the region as a study abroad Mecca.

Economic Advantage

While low cost of attendance is an advantage on the one hand, low overall revenue, on the other hand presents a challenge to the system. The Romanian higher education system enjoys high affordability advantage, and perhaps high efficiency in terms of the total expenditures on education relative to overall production (measured in terms of graduating numbers and research productivity), the low cost environment also translates into low revenue. For example, the low faculty compensation is such that cannot attract world scholars from advanced countries. What professors are paid here is a fraction of what we pay in the US, even after factoring in cost-of-living differential.



Chances are that highly productive professors who have opportunity to be employed where their compensations quadrupled that of Romania would leave the country. In terms of economics overall, I would rate the advantage as mixed review currently.

“Affiliational” Advantage

Just as an institution develops an advantage by its partnerships so also a higher education system benefits from affiliations. “Affiliational” advantage is the extent to which a system or an institution benefits from acceptance, reciprocity, cooperation, and collaboration. The number of affiliations confers an advantage as well as the quality of affiliations. A consortium of 200 institutions provides a scale advantage over a consortium of 20. In terms of quality, affiliations with top ranking institutions also provide advantage. Although, I also encourage institutions to develop pipeline affiliations which may require collaboration with lower or non-ranked institutions.

As a member of the European Union, Romania benefits tremendously from its affiliations with European higher education systems. Participation in the Erasmus programs as well as European sponsored activities have remarkable positive impacts on the system. Beyond European affiliations, most if not all Romanian institutions, have extensive affiliations internationally. Affiliations are great where outcomes include joint degrees and collaborative research. While Romanian institutions enjoy extensive external affiliations, collaborations among these institutions within Romania would be advantageous to the system.

Barriers to Comparative Advantage

Several factors limit the degree to which advantages of Romanian higher education can be leveraged. The list, while not exhaustive, reveals my current understanding of the system.

Language of Instruction

Language of instruction is important in two ways. First, it represents the hurdle that nonnative speakers have to jump over before obtaining their education. The policy currently in Romania requires foreign students to study Romanian language and perform at a particular level before proceeding with their degree programs. A language requirement limits enrollment to those who are interested in mastering the language.

Second, post degree utilization of the language defines graduates’ range and scope of opportunities. Romanians who study in Romanian language are expected to be employed where the language is spoken. International students, with the exception of Moldovans, have limited opportunities to use the language beyond Romania and Moldova upon graduation. For these two reasons, comparative advantage is limited.

Global Ranking

Higher education systems now operate within a global market, a development that ushered in the global ranking of institutions. Although, ranking criteria are subject to controversy, that has not diminished public interest in ranking outcomes.



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To the extent that ranking influence institutional reputation, perceptions, and demand, to that extent ranking defines quality advantage. During my recent visit to China, I learned that the Chinese Government has a list of Romanian institutions approved for partnership with Chinese institutions. The list is based solely on published rankings of public institutions.

I have noticed over the years that institutions, or I should say their leaders, are happy when they rank high and disappointed when they do not. Ranking is fraught with problems. Good teaching could be going on in an unranked institution. Recently, a new ranking agency with the intention to rank institutions based on “institutional wealth” asked me to participate in a questionnaire. After studying the questionnaire, I told them what they are ranking are institutional expenditures, not wealth. They stopped communication with me. A gentleman approached me with the request of \$30,000 to make my institution a top ranking one. I hope no one is paying that kind of money.

System Bureaucracy

Higher education system can be efficient or not, effective or not, and supportive of institutions or become a huddle for them. A complex bureaucratic system organization limits its comparative advantage. The interest of the Ministry of Education is to have some of the best institutions in the world. To do this, bureaucracy must be minimized, consultative partnership and responsive support service will move institutions forward. Last year, Danubius University changed its name to Danubius International University because there is another European university with the same name and also because of new emphasis on internationalization. It has been over a year to obtain the government final approval.

Weak Private Sector

Of all the barriers to the overall comparative advantage of the Romanian higher education system, the relatively weak private higher education sector is the most serious. The private higher education sector is an important contributor to a nation's economy, trained human resources, and educated citizenry and it does so with only a fraction of what it costs government to accomplish the same goals. The notion that strengthening the private higher education sector weakens the public higher education sector is a myth. The public higher education sector is stronger where there is a strong private higher education sector.

The weakness of the private sector is observable in many ways. The CNR is the gathering of the Romanian higher education rectors. Great rectors with great agenda, but in most cases the agenda is completely public institution-centric. After attending several of the meetings, I asked the private higher education sectors what they gain from these meetings, and you can guess their responses. I have always thought, since these meetings are typically two days, why don't we have the first day dedicated to sectorial meetings and the second day, a combined meeting to present reports of the sector's meeting? That would be a great use of time in my opinion.



Recommendations

In order to continue to strengthen the Romanian higher education comparative and competitive advantage, the system will benefit from the following recommendations. It should not be surprising that four of the ten recommendations relate to the non-profit private higher education given my opinion that the sector remains undervalued, underleveraged strategic advantage for Romania.

1. Reform Private Higher Education Governance

Private higher education, like every human made systems, go through evolution. Universally, at the beginning non-profit private institutions are run almost like a sole proprietorship by founders. Then they morph into family-like enterprises, especially on the passing of the founders. However, eventually, management and leadership become professionalized. For profit private higher education institutions must be treated separately from the non-profit institutions. My concern in this presentation is the non-profit private institutions. The non-profit higher education institution cannot be run like a sole proprietorship ad infinitum. Therefore, there is a need for a proactive deliberation of governance of this sector borrowing examples from successful systems around the world. The Ministry of Education should encourage these institutions to come up with recommendations on governance for the sector.

2. Public-Private Collaboration

Romania as a country will benefit more from its investment in higher education if both the public and the private institutions collaborate. In the most competitive environment, i.e. the United States, we also have examples of the best public-private collaborations. I retired as the Provost and Executive Vice President from a private medical university that has a joint medical degree in partnership with UCLA. By leveraging the resources and talents of each institution, both partners contribute to the production of medical doctors. The only obstacle to collaboration is a lack of will and creative system thinking. Public-private collaboration will strengthen the overall higher education system of Romania.

3. Private-Private Collaboration

While there is a need for public-private collaboration, the system must encourage private-private collaborations. I am amazed that there is no functional national association of the non-profit private higher education institutions in Romania. This type of association can do a lot to enhance their institutions and the higher education system. Common activities could include joint professional developments, joint-degrees, leveraging professors' talents, exchanges of professors on sabbatical, joint annual conferences, and so on. Intra-system collaborations are indicative of strong, dynamic, progressive national leadership. Government funding can be used to accomplish policy priorities that can change institutional behaviors.



4. Financing the private sector

Strengthening the overall higher education system requires a critical role of the government. Specific to non-profit higher education sector, the government could incentivize public-private collaboration with funds. Government could fund projects of interest to the nation equally in both sectors. Above all, government could set up financial aid for qualified students with the freedom of students to take their financial aid to institutions of their choices. This recommendation, I am sure, sounds revolutionary, but there is no greater incentive to becoming student-centered institutions than student freedom to take their financial aid to schools that are doing a great job educating them.

This recommendation does not need to cost government more, but rather it would require reallocation of existing funds with positive outcomes such as higher student retention and graduation.

5. Expand instructional language

While Romania must continue to invest in the Romanian language, additional instructional language could be added to meet the needs of international students who want Romanian degrees but with the intention to return home where Romanian language may have limited use. It is interesting that China has expanded degree programs with English as the mode of instruction, not only for foreign students, but also for interested Chinese students. Irrespective of our international politics, I find the Chinese higher education efforts dynamic, creative, and responsive and as scholars of higher education, we give credits to higher education systems that are making positive changes.

6. Global diversity

A university is a universal institution. Its mission, orientation, engagement, influence must transcend its national boundaries. Higher education systems can enhance their comparative advantage by adopting a global agenda. Globalization demands that we educate for the global market, turning our students into global citizens, and global citizens into global leaders. The strength of Romania as a country lies, among other things, in its international performance. Institutional commitment to global diversity as well as diversity education will enhance the overall comparative advantage of the Romanian higher education system.

7. Student centered instruction

A student-centered campus commits to the total student development and invite students to be partners with the institution in accomplishing their mutual goals. A student-centered campus minimizes the distance between professors and students. Such a campus provides excellent examples of student-faculty collaborations, joint publications, and produce overall happier students. Technology seems to be having an unintended negative consequence on faculty-student interactions in class. Higher education institutions must explore ways to enhance physical interactions among students and between faculty and students to reduce the growing isolation and improve mental health.



8. Introduce a graduate/doctoral study of higher education

Today, higher education is a multi-billion-dollar industry. Historically, the management/leadership of this industry has been in the hands of untrained reluctant leaders who would rather be left alone to do their research and teaching. Many higher education leaders complain about the stress associated with the job, more so because they have to learn on the job. For this reason, some countries have mandated that institutions be managed and led by individuals who are trained accordingly. Leadership development and professional development opportunities must be organized and available for higher education administrators within Romania.

More importantly, I propose the establishment of master's and doctoral degree programs in higher education management. The flagship institutions are best positioned to do that, and I will be more than happy to assist. The establishment of this degree specialization will provide critical intellectual resources and direction for the Romanian higher education system.

9. Marketing Higher Education

The sole purpose of conducting an analysis of the comparative advantage of higher education system must be to leverage these advantages. The analysis of comparative advantage shows barriers to maximization of advantage and removing or reducing barriers would be the first task of policy makers. Second, capitalizing on the advantage would be a necessary step to better fulfill higher education goals and increase enrollment and revenue. It must be understood that attracting international students is an export operation whereby Romania is exporting space and quality of higher education to students of other nations. To accomplish this task, it is important to engage in strategic marketing of the strengths of the Romanian higher education.

10. Affiliation—American-Romanian Academy

I conclude with a very important recommendation. Romania has many of its sons and daughters, highly educated, highly successful scattered abroad. A large cohort exists in the United States. I am delighted that these visionary individuals have formed an organization called the American-Romanian Academy (<https://www.americanromanianacademy.org>). The Academy organizes annual conference, the next one is on June 3-4, 2024, in Bucharest. Both the Ministry of Education and individual institutions will do a great deal of good to the nation by forming partnership with the Academy. These professors should be invited to spend their sabbatical in Romania. The implementation of this recommendation could lead to joint research/publications, expanded pool of volunteer faculty, and so on.

CONCLUSION

In conclusion, the comparative advantage of the Romanian higher education system is potentially strong. Low tuition environment will become more attractive as costs of undergraduate education in other parts of the world continue to soar. However, to expand and leverage the comparative advantage, higher education leaders, policy makers, and government officials must continue to undertake a holistic assessment of the overall of the higher education system. The assessment must include improving excellence in the private sector, collaboration of public-private sector, reorienting and investing in Romanian higher education as an export, and making Romanian higher education more attractive to the international communities.

Read the article on
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