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Dynamic Model of Knowledge and Lifelong Learning Strategy in Economic Growth

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Abstract

Knowledge is a central factor of production, which has a unique feature of an increase in earnings, and thus to increase their own values by means of both use and dissemination. Therefore, successful permanent exploitation of new knowledge in development of products, services, processes innovative is a highpoint in securing competitive advantage, on the one hand, but also for the sustainability of activities on the other hand, since knowledge means power and profitability.

Knowledge carries both data and information, both through education and through practice, along with the dissemination and the use of their efficiency, which is a prerequisite for innovation and enhancing competitiveness. And as regards economic growth in the long term, the knowledge is the main engine of economic growth, when they are acquired, created, disseminated and actually used to increase economic development. Education plays an important role in economic growth theory demonstrating that efficient work based on knowledge gained during the 1950s 140 generates output for the function of production.

The aim of this work is to reveal that the investment in knowledge is of strategic importance especially for the most developed economies. The model Lifelong Learning comes to complete our scientific, is regarded as the key these challenges. This approach considers that a population educated and trained appropriately is the key factor for future economic prosperity, promoting innovation, future economic growth and productivity, cultivation of life in the community, social cohesion and politics, and ultimately, obtaining a real democratic society.

General procedure for the purpose of answering work, we have used the techniques of research: investigating secondary data and analysis on the contents of the main reports and studies of international organizations, such as World Bank- Human Development Report, European

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Lifelong Learning Indicators, the World Economic Forum and reports concerning the management of knowledge, education, and economic growth at the level of the member European Union. For analysis of the data were applied statistical methods and correlation analysis. The statistics show, the fact that, over time, the countries, the regions that have invested in education and training in the skills, took advantage and took advantage still from the economic point of view as well as the social these elections.

Keywords:

Knowledge; higher education; economic growth; competitiveness; Lifelong Learning.

1. Introduction

A marking period of competitiveness in the European Union is represented by the adoption of Lisbon Strategy 2010, in which member countries of the Union adopted educational strategies and policies based on it. One of the instruments proposed by the EU for the quantification of performances in the domain of innovation is the European Innovation Scoreboard (EIS), which uses a set of indicators elaborated in the European Statistic System.

The first report of competitiveness Europe 2020, entitled *Building a More Competitive Europe*, elaborated by the World Economic Forum in the year 2012, realizes an evaluation of the progress of member states towards the achieving of the Europe Strategy 2020 goals, which succeed the periodic reports looking the fulfilling of the Lisbon Strategy goals.[1] The evaluation methodology is based on the use of complex indicators, calculated through the aggregation of sub-indicators and indices corresponding to the three great objectives (the growth of intelligence, inclusive growth and sustainable growth) and to seven pillars of the Europe Strategy 2020 (business environment, digital agenda, innovativeness, education and training, market and employment, social inclusion and sustainability of the environment), which reflects the multitude of determiners regarding the economic growth and social development of a country¹.

2. Competitiveness and innovation in education in Romania versus the European Union

The results of the indicators calculated by the Europe 2020 report show significant differences in performance between EU countries and outlines four large groups of countries with relative competitiveness characteristics. Unfortunately, Romania is in the group of countries with the

most unfavorable positions and at the greatest distances from the best achievements of the relation of the Europe 2020 objectives, with particular reference to the motor goal - smart growth - taking the last place between EU countries. Regarding the competitiveness pillars, Romania continues to score unfavorable positions for three of the four pillars of basic conditions, namely institutions, infrastructure (the last position among EU countries 28), health and primary education (the last position among the EU 28 countries). The exception is given by the macroeconomic environment pillar, where Romania has a higher position than the EU average. There is a significant advancement in terms of quality of institutions and infrastructure, as well as primary health and education. Enhancing Romania's competitive position regarding all efficiency enhancing factors is also improving: including education (Romania occupies the penultimate place among EU countries) and labour market efficiency. Equally positive seems to be the evolution of the factors of innovation and sophistication. In the case of these factors, our country has been experiencing unfavorable competitive positions for years, the development of innovation and sophistication factors being much delayed in relation to the evolution of the other European states, their positive impact not being visible in the national competitiveness. The ratio of the two indicators - the innovation effectiveness report - shows how many innovation outcomes a country gets through the innovation input it holds. The efficiency ratio is independent of the state of development of a country, and its analysis needs to be correlated with the GI and the two indices, as a relatively good efficiency ratio can also be obtained with low scores. In the ranking of countries of the world, according to the GII for 2017, Romania registers a significant decline compared to the previous year (decreases by seven positions), being the only EU country not in the top 50. The ranking is dominated by European countries (of which 13 are the EU countries) and the best positions are occupied by Luxembourg (1st), Switzerland (2nd place), Sweden (3rd place), Netherlands (4th place), United Kingdom (5th place), Finland (7th place), Ireland (8th place), Germany (9th place) and Denmark (10th place). Romania's position, according to the GII index.[3], is correlated with the GDP per capita, but it only shows that the innovation process is correlated with the level of development, in a not very favorable area, which can signify stagnation and passivity to trends in the field of innovation and technological progress at the global and European level. This situation is also indicated by the evolution of the distance to the border of the best performances in the period 2010-2017 of the GII and of the two indices, indicating only small improvements of our country's position, with the exception of the infrastructure and the results of the

innovation process and even significant worsening of the position in the sophistication of the market and the business environment.[2].

Figure nr. 4-11 **Romania - the difference to the border of the best performance of EU countries²⁸ regarding the objectives of the Europe 2020 Strategy, %**

Source: Calculations based on data from 'The Europe 2020 and The global innovation index 2017, INSEAD

Concluding the above, we can see that Romania is in the group of countries with the most unfavorable positions and the longest distances to the border of the best achievement of the objectives of the Europe 2020 Strategy. Better performance is registered in terms of growth (23rd place) and inclusive growth (24th place), in particular the market and employment pillar (20th place), with a relatively flexible labor market (10th place), characterized by a good correlation between wages and salaries labor productivity (14th place) and over-average female participation in the private sector (12th place).

The report by the World Economic Forum entitled "The Europe 2020 Competitiveness Report: Building a More Competitive Europe in 2017" is

the first to assess the progress of EU Member States towards achieving the Europe 2020 goals.[4].

The results show significant performance differences between EU countries²⁸ and the outline of four large groups of countries with almost

common characteristics in terms of competitiveness that highlight the issue of competitiveness gaps within the EU and raise questions as to the convergence process (The Europe 2020 Competitiveness Report, 2017).

Table nr.1 Evolution of Global Competitiveness Index - Rankings

Country	Positions					Governmental efficiency					2017
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	
Number of analyzed countries	144	148	144	144	139	144	148	144	144	139	137
U.S.	2	1	1	1	3	22	25	22	23	25	2
U.K	18	18	16	19	18	23	24	17	19	16	8
Denmark	3	3	3	5	9	11	11	11	10	8	12
Sweden	5	4	5	9	5	8	7	10	11	11	7
Switzerland	4	2	2	1	1	1	1	1	1	1	1
Finland	17	20	18	20	20	12	12	13	17	21	10
Japan	5	8	9	8	6	9	10	9	6	6	9
China	35	34	30	29	27	26	29	29	28	28	15
Romania	53	55	47	47	49	52	49	51	46	43	68

Source: World Economic Forum- Competitiveness Rankings 2015-2016

From the data presented in Table 1, Switzerland, the most competitive economy in the world, ranks first in the 137 surveyed countries in terms of local availability of research and training services and second place in the quality of the education system, quality the management of the educational institutions and the training of the teaching staff, being ranked first.[5]. The indicator, the enrollment rate in tertiary education, ranked Switzerland on the 48th place, while Sweden is on the 18th place. It is gratifying to note that Romania ranks 22nd, thus far ahead of Switzerland.

In the case of Romania, the analysis of competitiveness seen from the point of view of achieving the objectives of the Europe 2020 strategy is far too far from reaching the main place due to the low level of population (development of inclusion) and environmental protection (sustainable development).

Analyzing in more detail the determining criteria of competitiveness, World Competitiveness Yearbook presents for each analyzed country a list of strengths and weaknesses related to each of the four main areas. Among

them, the factors related to human capital or its impact are found in the case of Romania, in the field of efficiency of the business environment (as a strong point) and of the infrastructure and the efficiency of the government (as a weak point).

Conclusions

Global Competitiveness Report of the World Economic Forum contains the general information provided in this case by those IGCs that examine variables related to education and government that allow the selection of countries to be studied in relation to the existing causality between education and economic output of the world. The Competitiveness Assessment is found in the World Competitiveness Yearbook. In order to increase competitiveness, the priority for Romania is the technological endowment and the use of existing technologies (development of own technologies, but also technological transfers, by known means - FDI, technological imports). Romania should also focus on the smooth functioning of the markets - the labor market, the capital market, the money market and create conditions for competition, resulting in a good allocation of resources, a judicious use of public money.

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