



UNIVERSITY OF LIFE SCIENCES  
"KING MIHAI I" FROM Timisoara  
**Multidisciplinary Conference on  
Sustainable Development**  
25-26 May 2023



**Education as a pillar of defining human capital.  
Implications of the academic environment**

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## Abstract:

In contemporary policy discussions on higher education, the idea that this environment is in danger of becoming isolated from the world, ignoring the wishes and needs of society at large, is a constant background. From a historical point of view, it is mostly true that the academic spectrum has been rather impermeable in both directions: the knowledge generated and transmitted within it was very little based on the outside world and less concerned with its application to the problems of the outside world. In the globalised world of the 21st century, this kind of impermeability is no longer possible. The expansion of higher education systems in all regions has brought new socio-economic groups into the educational environment, with a greater diversity of cultures, levels of academic preparation, and expectations. In order to gain a better insight into the topic, we used an examination approach by overlaying information from different sources of exploration and analyzing the level of comparability over time. This paper examined the main characteristics of education as a pillar for defining human capital and its effects on academia. The findings are explained in the conclusion section, but it is mandatory to specify one conclusion regarding the fact that the costs of academic expansion have also led to increased pressure from governments to justify state funding, a justification that is usually couched in terms of direct and measurable social and economic impact.

## • Introduction

Prior to tending to the ongoing group of proof exhaustively, recognizing the long history of college commitment with society in a great many social contexts is useful. The notion of higher education as a public good, on the other hand, has a much more ingrained history, despite the fact that the manner in which universities interact with the general public has evolved over time. In contrast, the idea of universities as engines of economic growth is a relatively recent phenomenon that is primarily supported by the rise of the so-called knowledge economy.

Due to their focus on training future church and state leaders and their limited enrollment, early higher education models in low-income countries were highly elitist. However, despite the unequal nature of these models, the institution's training of leaders was regarded as a public good. This idea has resulted in government-funded scholarships for those who are able to enroll in higher education in numerous contexts with lower incomes.

In the late 1960s and early 1970s, these early models were widely criticized for being out of touch with the local population and dependent on previous colonial powers. Public universities in many newly independent states were modeled after metropolitan universities after independence. Notwithstanding, as discussions about restricted financial improvement in low-pay settings produced groundbreaking thoughts regarding reliance and underdevelopment, this replication of Western models went under assault. Higher education institutions were encouraged to adopt indigenization policies, in which expatriate teachers were replaced by local staff and new curricula were proposed that focused on local languages and cultural traditions, as nationalist leaders advocated autonomy and self-reliance from Western control. Incorporating higher education's role as a preserver, defender, and advocate for local traditions and values, this era altered the understanding of higher education's contribution to society beyond the conventional notion of leadership development.

• New models of university engagement with society in so-called developing contexts have also been encouraged as a result of criticisms of the elitist nature of higher education. The Cordoba reforms, which took place in Argentina in 1918 and called for a greater level of interaction between public universities and the general public, led to the revival of the public university throughout Latin America. Comparable changes occurred in Africa during the 1970s, following the African Colleges Affiliation's call for colleges to turn out to be more formative, zeroing in their exploration endeavors on pressing improvement needs and connecting all the more productively with the networks around them.

## • Material and method

Using the keywords economic growth, economic development, human capital, econometric quantification, education, human capital investment, rate of return on investment, internal rate of return, and short-term return on income, we examined Google Scholar, Research Gate, Emerald Management, Science Direct, and Spring Link databases, as well as databases of publications dealing with topics that are similar to the research thesis, in order to conduct this research article and obtain the necessary meta-analysis. Except for the standard classical benchmarks that are required to support the concepts, we have established a ten-year benchmark. From the initial round of searches, 85 papers with similar titles, ideas, and topics were found. Consequently, 44 articles had to be removed from areas of interest outside the scope. After that, we found the remaining abstracts. In the end, irrelevant articles were removed, leaving 32 papers in the final batch, which can be seen in the scientific article's bibliography.

## • Results and discussions

The idea that this environment is at risk of being isolated from the world, dismissing the aspirations and demands of society at large, is a persistent background in modern policy discussions on higher education. From a historical standpoint, it is generally true that the academic spectrum has been relatively impermeable in both directions: the information generated and communicated within it was very little based on the outside world and was less concerned with its application to outside-world concerns. This type of impermeability is no longer possible in the globalized environment of the twenty-first century. With the expansion of higher education institutions in all countries, new socioeconomic groups have entered the educational environment, bringing a wider range of cultures, degrees of academic preparation, and expectations. We employed an investigation strategy to obtain a deeper understanding of the topic by overlaying information from various sources of exploration and measuring the level of comparability over time. The key aspects of education as a pillar for defining human capital, as well as its consequences for academia, were investigated in this research. The findings are explained in the conclusion section, but one conclusion must be specified: the costs of academic expansion have increased government pressure to justify state funding, a justification that is usually couched in terms of direct and measurable social and economic impact.

## • Conclusions

Higher education has a clear impact on both individual economic and non-economic capabilities. Macro-level effects are harder to isolate, but there is convincing, albeit limited, evidence of impacts on strengthening formal institutions, informal social norms and attitudes, and overall economic growth. Evidence on the impact of higher education on human capital development is of obvious interest to policy makers and development agencies, both in terms of justifying existing spending and in guiding future investment, as such evidence can influence the decision whether or not to invest in higher education. It can also guide decisions on what form certain interventions and reforms should take (e.g. whether it is better to fund scholarship programmes, institutional partnerships, ICT infrastructure, etc.). However, the evidence on the latter is very scarce. Most studies that provide an empirical assessment of impact look at relationships between enrolment in higher education and a particular outcome. Studies therefore tend to consider whether individuals have studied at tertiary level (or, in national studies, the proportion of the population that has done so). In terms of the framework of analysis in the article, we can see that such studies measure movement from achievement boxes to outcome boxes. These studies do not give us much indication of what factors within the tertiary (or entry) stage might be influential: for example, whether public or private institutions are more effective in developing research with economic and social impact, whether distance or face-to-face provision makes a difference in improving human capital, or how institutional governance affects community engagement. Higher education is undoubtedly a key component of development. It is a public good, providing opportunities for higher learning, enabling intellectual and cultural traditions to be maintained and developed, and providing a space for research, investigation and innovation. It is also essential to economic prosperity; it enhances the high-level knowledge and skills of its graduates and provides the basic and applied research that helps fuel innovation. It also produces a range of non-economic benefits for human capital and others in society. The relevance of higher education for development has been largely underestimated, so the increased attention given to universities in the development discourse is a welcome development.