

VERY SHORT PRESENTATION OF RESULTS

Romania has one of the highest early school leaving rates (ESL) in the European Union - 16.6% in 2023, with a high vulnerability in rural areas. The average number of early school leavers is around 23,000 pupils per cohort. Early school leaving has significant economic costs, both individual and societal.

From an individual point of view, the average lifetime earnings of a school dropout are EUR 190,473 (35%) lower than those of a high school graduate. From a societal point of view, the main costs are associated with some of the consequences of early school leaving: fiscal costs (i.e. costs of lost tax revenue and costs of increased welfare expenditure) and health and social costs (i.e. costs of health expenditure and costs of crime and incarceration).

The lifetime costs of all early school leavers over the period analyzed (i.e. 2005-2013 to 2016-2024) total EUR 107 billion, which is about 35.67% of Romania's annual GDP (estimated at EUR 300 billion). The annual expenditure on dropouts in the 12 cohorts analyzed is about EUR 2,3 billion, or about 0.77% of Romania's annual GDP. The costs incurred by dropouts in the 12 cohorts analyzed over the last 11 years are EUR 15.7 billion, about 5.23% of Romania's annual GDP.

The significant economic costs associated with school dropout justify investments in preventive, remedial and compensatory programs, which can reduce these costs by improving graduation rates and reducing dependence on public assistance. Preventive measures can focus on: developing

and further implementing educational support programs, reducing the direct and hidden costs of education, expanding access to pre-school and pre-school education, individualizing/ personalizing educational interventions, developing career guidance and counseling services to help students plan their educational and career pathways. Intervention measures can be related to the sustained implementation of the MATE system (early warning) to identify and intervene promptly in cases at risk of school dropout, using accurate data and coordinated actions and on collaboration between education and other related areas (health, social care, etc.).

From a strategic point of view, and in order to be able to base interventions on evidence, Romania could work towards a clearer definition of the phenomenon and its associated indicators, a fair and transparent reporting process at all levels (from school to regional and national) and data collection based on clearly defined indicators, reported in a transparent way.

Although the analyses presented here reveal an economic loss for Romania due to school dropout on a scale probably unexpected by anyone, we finish on an optimistic note: in recent years, a slightly downward trend in the issue has been observed (a trend that cannot be explained solely by the demographic decline), and the Ministry of Education has acknowledged the problem and has launched several projects in recent years to combat school dropout, which may generate effects in the medium term.