

STUDY AND LABOUR MARKET

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Abstract: The paper explores issues related to tertiary education (TE) graduates' unemployment and labour market conditions, which affect TE at the national level. The contribution of this research is an empirical analysis in Slovenian context. The research results illustrate and stress the importance of the connection and (inter)dependence of the labour market and TE with emphasis on providing employable graduates to economy and society. Entry to the labour market is particularly difficult for female TE graduates and graduates with social sciences, business and law degree. We found that at the national level policymakers need to synchronize TE policies, employment policies and TEIs management, which leads to the achievement of TE policies and objectives on an institutional level and would definitely contribute to better employability of graduates and better use of (public) funds.

Keywords: tertiary education, graduates, labour market, unemployment, Slovenia

1 INTRODUCTION

According to European Commission for the year 2016 in the EU, 4.2 million young people aged under 25 were unemployed. Youth unemployment rate has decreased from more than 23% in 2013 to less than 19% in 2016, but is still very high (Youth employment, 2018). High youth unemployment co-exists sometimes with increased difficulties in filling vacancies. Consequently, this implies the existence of labour market mismatches, due to inadequate skills, limited geographic mobility or inadequate wage conditions (Youth employment, 2018). In Slovenia, among all temporary (fixed term) employments (which represent more than 80% of new employments in 2016), young in age group of 15-29 years account for 53% (STATOPIS, 2017). This suggests that young, mostly highly educated graduates, encounter uncertain forms of employment from the beginning of their career path.

A pressing issue is that of unemployment among TE graduates, a degree is no longer as valuable as assurance for a safe entrance into the labour market (EU Youth Report, 2009, p. 30). In Slovenia the registered unemployment rate among TE graduates is still increasing as it was 1.9% in 2016 (compared to 1.6% in 2011 and 0.8% in 2006). (Marjetič and Lesjak, 2013). The TE graduates employment rate in Slovenia is 84.4 % and is slightly above the EU average for 2015 (84.1%) (Evropska komisija, 2016).

HE policies and HEIs are not suitably prepared for the unpredictable socio-economic and labour market conditions, especially because changing enrolment policies and the study programmes offered has an influence on the workload of their human resources. Therefore, it is about finding a balance between:

- what candidates want to study,
- assurance of appropriate professors for conducting study programmes and
- the needs of labour market and society for appropriate (knowledge and competences of) graduates.

As UNESCO (1997) says, (inter)dependent operations and results of TE and the labour market are among one of the most important factors to highlight the issue of directing people into education and work. The field of directing people into education and work is the subject of different international legal instruments whose values are the base on which international and national education and employment policies are designed.

Objectives of the research are to explore the current state of TE labour market in Slovenia, attributes of unemployed TE graduates, available job positions for TE on the Standard Occupational Classification (SOC) by activity and employability of TE graduates on SOC by activity, stemmed from the needs of the society and TE labour market and theirs' analysis for the last 12 years.

We retrieved the data from the Employment service of Slovenia and Slovenian Statistical Office (SORS).

2 HIGHER EDUCATION GRADUATES' UNEMPLOYMENT IN SLOVENIA

The share of unemployed people with at least TE has grown since 2006 when 9.4% of 78,303 were unemployed compared to 2016 when 17.7% of 99,615 were unemployed. Table 1 shows that the share of unemployed people with TE as well as the share of working age population with TE is increasing annually. However, the share of registered unemployed with TE among working age population was highest in 2014 (7.3%), and has reduced by one percentage point in 2016 (6.3%) (Lesjak and Skrbinjek, 2017).

Table 1: Registered unemployed people with TE and working age population

Year	Registered unemployed			Working age population			Registered unemployed with (%)		
	All	with TE	%	All	with TE	%	tertiary education	secondary education	primary education
2006	78,303	7,391	9.4	911,306	186,817	20.5	4.1	8.6	16.7
2007	68,411	6,963	10.2	932,762	196,813	21.1	3.8	6.9	14.0
2008	66,239	6,435	9.7	996,000	238,000	23.9	3.2	5.9	12.6
2009	96,672	10,030	10.4	981,000	247,000	25.2	4.1	8.1	18.3
2010	110,021	12,791	11.6	996,000	253,000	25.4	5	9.6	22.2
2011	112,754	14,708	13.0	936,000	265,000	28.3	5.9	10.7	24.5
2012	118,061	16,871	14.3	924,000	276,000	29.9	6.2	10.7	26.0
2013	124,015	19,491	15.7	906,000	286,000	31.6	7.2	11.9	28.4
2014	119,458	19,006	15.9	917,000	291,000	31.7	7.3	12.8	26.4
2015	113,076	18,852	16.7	917,000	308,000	33.6	6.8	11.8	26.8
2016	99,615	17,651	17.7	941,818	316,000	33.6	6.3	10.6	26.7
2017	NA	14,812	NA	NA	NA	NA	NA	NA	NA

Source: Employment Service of Slovenia, Statistical office of Republic of Slovenia, NA- not available

Number of registered unemployed people with TE increased the most in 2009 (by 55.9% compared to 2008 or by roughly 3,600 persons) and reached its maximum in 2013 when there were almost 19,500 persons with TE unemployed (see Table 1). Since then the numbers declined to 17,651 persons in 2016.

The fact that the number and the share of registered unemployed graduates increased in the last 10 years is more or less expected due to two main reasons:

1. the economic crisis which hit Slovenia to a great extent (-7.8% drop in 2009 (SORS)) and
2. the big increase of graduates with TE among all working age population – the number of graduates increased by more than two-thirds from 2006 to 2016, yet the number of working age population increased only for 3.3%.

What is unexpected is the fact that the percentage of registered unemployed with TE degree among working age population with TE is relatively stable and it varies from 3% to 7%. When comparing with the registered unemployed with the primary education, it varies from approx. 12% to close to 30%, despite the fact that we have more than 1/3 of working age population with the TE education.

The transition to the labour market is particularly difficult for women with TE. Two thirds of all unemployed TE graduates are females (Figure 1). This is mainly due to the study fields, which are more popular among women and for which unemployment rate is much higher than for the others.

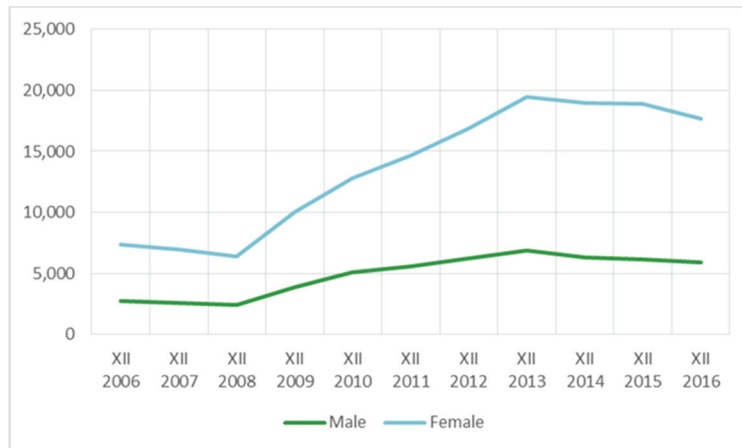


Figure 1: Unemployed TE graduates by gender

In 2016, as in years gone by on the labour market, the most registered unemployed with at least TE degree, came from the following study areas (KLASIUS-P):

- 3 – Social sciences, business and law 43.2%
- 5 – Engineering, manufacturing and construction 14.5%
- 2 – Humanities and arts 11.0%
- 1 – Teacher training and Education science 9.8%

The smallest share of the unemployed graduates was in area 6 – agriculture, forestry, fishery and veterinary 3.7%.

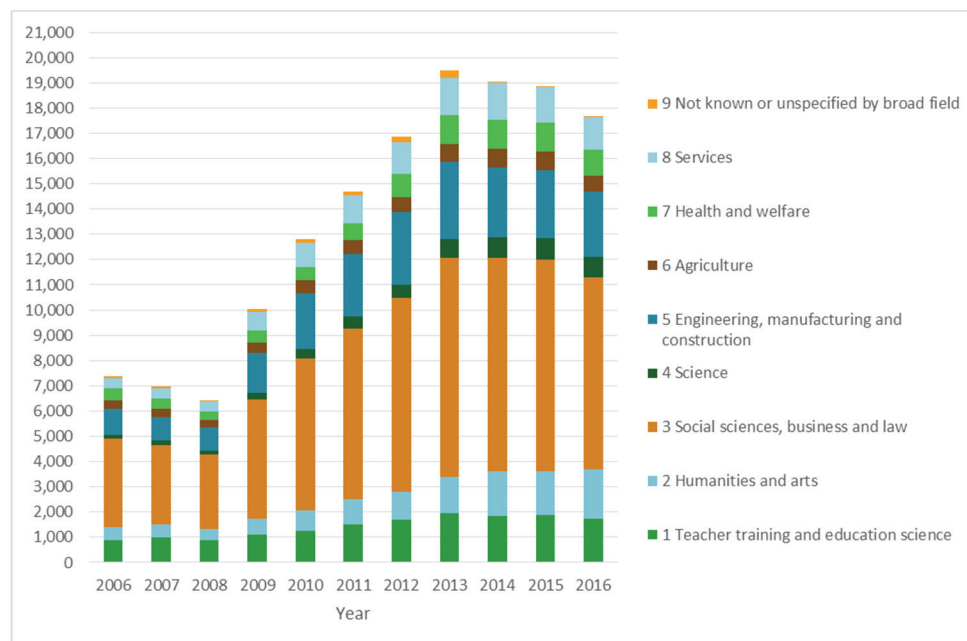


Figure 2: Number of registered unemployed TE graduates by study area

That to a great extent reflects the fact that the most popular study area are social sciences business and law (27.8% of all students were studying in this study area in 2016/2017 and 34.6% of all graduates in 2016 were graduates from this study area). In addition, graduates of social sciences business and law field represent the majority of all registered unemployed TE graduates (Figure 2).

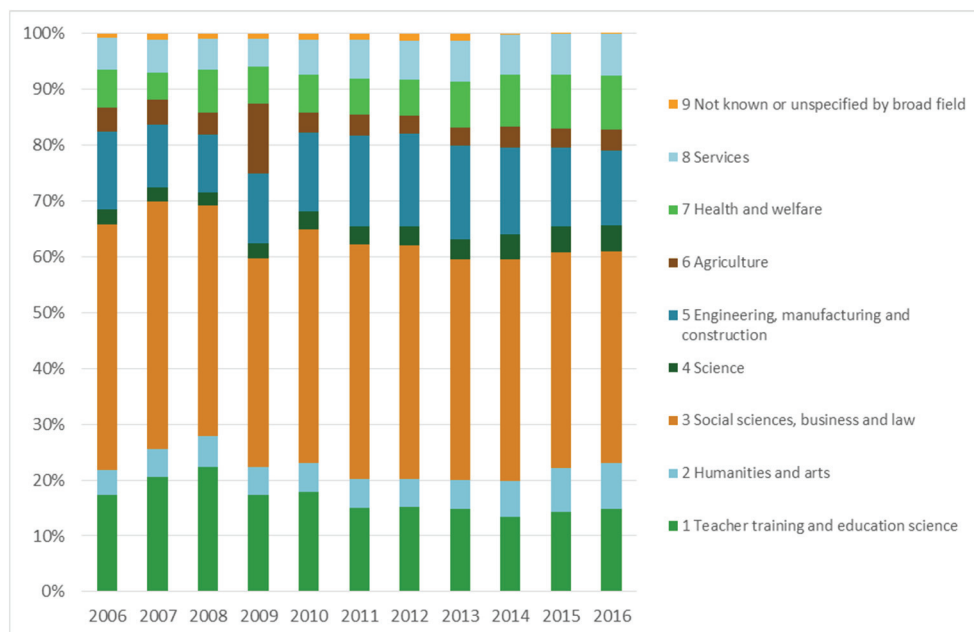


Figure 3: Share of employed among registered unemployed TE graduates by study fields

Considering also the number of employed persons among those who were previous registered as unemployed with TE (Figure 2), it can be observed that the numbers are increasing yearly. In 2016 there were 17,762 persons with TE who found an employment - which is 22% increase compared to year 2013 (14,460 persons) and more than double increase since 2006 (8,735 persons).

As we can see from the Figure 3, the largest share of employed among registered unemployed TE graduates belong to the social sciences, business and law study field, more precisely business, management and economics. The most wanted are second cycle/master graduates (or equivalent) comprising 47% of all employed among registered unemployed TE graduates.

3 CONCLUSION

The research contributes to greater integration and to the achievement of strategic objectives of both TE and employment policies. Therefore, it can help defining the appropriate TE policies, objectives and particularly measures and mechanisms, which could encourage TEIs management to decrease graduate unemployment and thus contribute to greater TE success.

In our paper we focused on analysing the data on unemployed graduates with TE in Slovenia. We found that in the last 12 years the number of graduates with TE has been steadily increasing and the rate of unemployment as well, despite the fact that the number of unemployed TE graduates is decreasing. This leads us to the fact that we have already exceeded the number of TE graduates, which the current labour market can assimilate. When we take a closer look, we can observe that majority of unemployed TE graduates are women, with a social science degree, what all implies to a structural unemployment problem. Yet on the other hand, most employed TE graduates are also from the social sciences study area – more precisely from the business, management and economics.

But as the results of our research show, far more should be done to synchronize TE policies and Employment policies with TEIs management, what would definitely contribute to better employability of graduates, satisfaction of social needs, higher quality of TE and better use of (public) funds.

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