

POLISH GRADUATES FROM HIGHER EDUCATION INSTITUTIONS IN THE LABOUR MARKET

Eugeniusz Gostomski,
Powiślańska Szkoła Wyższa Kwidzyn, Poland

Tomasz Michałowski,
University of Gdańsk, Poland

Annotation

The beginning of the economic transformation in Poland in 1990 initiated rapid quantitative and qualitative changes in higher education in that country. Previously, the possibility of increasing a number of students in higher education institutions (HEIs) had been limited by the monopoly of public education. The situation in higher education was changed dramatically by the Higher Education Act of 12 September 1990. The Act enabled the creation of private HEIs. Their number increased dramatically over the next years. However, the number of academic teachers did not increase to the same extent.

Key words: graduates, labour market, Poland, unemployment, emigration.

While in the 1990/1991 academic year, there was only one non-public higher education institution in Poland, ten years later the number rose to 221, and in 2009/2010 to 330. Over the same period, the number of public HEIs increased by only 20% (from 111 to 131). At the same time, the number of students increased rapidly from 404,000 in 1990/1991 to 1,900,000 in 2009/2010. In 2009/2010, 630,000 people (33% of all students) were studying in private institutions. Gross enrolment rate, i.e. total enrolment in a tertiary education, regardless of age, expressed as a percentage of the population in the official age group corresponding to this level of education, rose from 13% in 1991 to 54% in 2010 (GUS, 2015a, pp. 26-27, 30).

In the 2006/2007 academic year, due to demographic reasons, a reversal of the upward trend was observed and since then the number of students has been steadily declining. In the 2014/2015 academic year, there were 434 HEIs in Poland, including 302 non-public institutions with almost 360,000 enrolled students. The total students population was almost 1,470,000. In all Polish HEIs, there were 93,500 academic teachers employed (counted as full-time equivalent). There were 15.2 students per academic teacher (GUS, 2015a, pp. 26, 29-30, 53).

The largest academic centre in Poland is Warsaw, which is a home for 78 HEIs with 248,000 students. In addition, in each of the three cities: in Krakow, Wroclaw and Poznan, the number of students exceeds 100,000. In Poland, there are, among others, 19 classical universities more than 20 the so-called "adjectival" universities (medical universities, universities of economics, life sciences, fine arts and others) and 25 technical universities (GUS, 2015a, pp. 25, 29, 70-79).

In accordance with the Bologna system, in most fields of study, there are first-cycle (undergraduate) programmes (Bachelor and Bachelor of Applied Science) and second-cycle programmes (Second Degree Master Studies). In private HEIs, programs at the undergraduate level prevail. There are also doctoral and post-graduate programmes. It is possible to study full or part time. In the 2013/2014 academic year, most students attended courses in economics and administration (20.2%), social science (9.8%) and teacher training and education science (9.4%). These were the most popular fields of study also in previous years (GUS, 2015a, p. 32).

In private HEIs, students of economics, management, marketing or finance prevail. This is because the education costs in these fields are the lowest and students consider these fields of study to be much easier than engineering or science programmes.

A comparison of popularity of particular fields of study in the academic years of 2010/2011 and 2013/2014 shows the decreasing interest of candidates in economics and administration, teacher training and education science, humanities and social science. There is an increasing interest in the fields of study classified in the group of "safety and security" and related to architecture and construction, and engineering and engineering trades (GUS, 2015a, p. 32).

Among the reasons for the rapid development of higher education in Poland are the following factors:

- the worth of higher education had increased in a society and a market economy, which was associated with a strong belief that graduates would earn much, advance more quickly in the professional and social hierarchy and, finally, have a better life;
- a growing number of baby boomers completed secondary education in the 1990s awarding the Maturity certificate, which gives a right to study in HEIs;
- as a result of the formation of numerous non-public HEIs young people from small towns and villages received the opportunity to study close to their place of residence, which significantly lowered the costs of education.

The increase in the numbers of HEIs and students in Poland has not gone hand in hand with an increase in the level of education, and even in this area regression has been observed. The number of academic teachers has not increased significantly, although the number of students has risen more than four times. A number of students per one academic teacher is too high especially in the fields of laws and economics, which negatively affects the quality of education. The state expenditure on higher education is also low. In the last two decades, the expenditure per student in public HEIs was 3-4 times lower than in leading European countries and was steadily declining because the increase in expenditure on higher education did not keep up with the increasing number of students (Barwińska-Małałowicz, 2013, pp. 7-76).

The number and structure of graduates from HEIs in Poland

With the growing number of students, the number of graduates from HEIs was increasing. While in the 1990/1991 academic year, there were 56,000 graduates, in 2013/2014 their number increased to 424,600. In the 2013/2014 academic year, 71.1% of all graduates were graduates from public institutions. As many as 55.3% of all graduates (234,700 people) completed first-cycle programmes: 64,900 with the degree of engineer and 169,800 with a bachelor's degree. At the same time, 22,200 people completed unified master's studies (long-cycle programmes) and 167,700 second-cycle programmes. In the 2013/2014 academic year, most graduates (242,400 people) were graduates of full-time studies. Part-time studies were completed by 182,200 students. There were about 5,600 foreigners, mostly from Ukraine and Belarus, among the graduates from Polish HEIs in 2013/2014 (GUS, 2015a, pp. 32, 138-145).

Since the beginning of the transition, the structure of graduates from Polish HEIs has changed significantly. In the 1990/1991 academic year, the largest community were the graduates of technical fields (19,4%), teacher training and education science (17,5%) and health (medical) fields (10,1%) (Piróg, 2013, p. 306). In the following years, graduates of management, finance, banking and social science began to dominate. In the 2013/2014 academic year, in a group of almost 425,000 graduates from HEIs, 23.2% were graduates of economics and administration, 12.8% of teacher training and education science, 10.3% of social science, 8.2% of health, 6.5% of humanities (GUS, 2015a, p. 32). Thus, the labour market is not able to absorb such a number of graduates, which leads to unemployment among people graduating from HEIs.

Unemployment among graduates from HEIs

Sharp increase in the number of graduates from HEIs in Poland was observed in the period of growing unemployment in Poland. At the beginning of the transition period, the unemployment rate was 6.5% (in December 1990), but it began to grow rapidly exceeding 20% in 2002-2004. Then, the unemployment rate began to decline and in 2008 its rate was slightly below 9%. Since then, unemployment had risen again and at the beginning of 2014, it reached almost 14%. However, in the same year, it began to fall and hit single digits in 2015 (Figure 1). As a result of economic recovery and a decline in the number of young people, the unemployment rate among people aged 15-25 has slightly decreased, but in 2014 was still high at 24%, compared to less than 8% in Germany and above 52% in Greece (Figure 2).

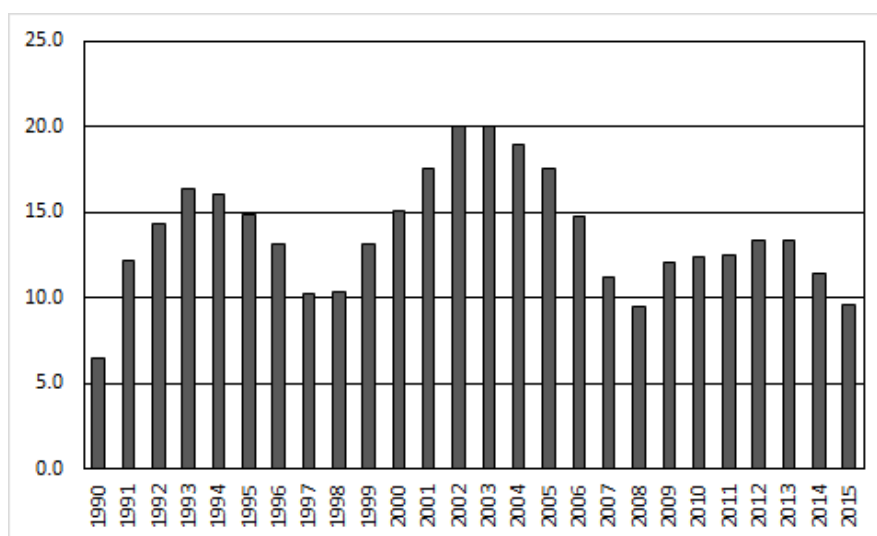


Fig. 1. Unemployment rate in Poland (%), 1990-2015*

*Figures for December each year, 2015 – for October

Source: GUS (2015b).

The number of jobs for high-skilled workers both in the corporate sector as well as the budgetary sphere is limited. This leads to increased competition among graduates looking for a job. Higher education has ceased to be a guarantee of getting a job/employment. More and more graduates, including those with a doctor degree and those who have completed several programmes, have difficulties in finding a job. For a small number of new or abandoned jobs, employers seek people with professional experience, which HEI graduates usually do not have. The outstanding creative graduates from the best HEIs who are willing to work for low pay have the best chances of finding a job in Poland.

In 2014, 225,000 people with a higher education diploma were unemployed in Poland (GUS, 2015b). Results of the survey "Study of Human Capital in Poland" conducted jointly by the Polish Agency for Enterprise Development and the Jagiellonian University (Jelonek, Kasperek & Magierowski, 2015) in 2010-2014 show that among graduates under 30 years old, about 24% of people were without a job (rate of unemployment – 14%, rate of inactivity in the labour market – 10%). However, their position in the labour market is better than people without higher education because the rate of unemployment among people with a bachelor's or master's degree is more than one third lower than the rate of unemployment among other people (Jelonek, Kasperek & Magierowski, 2015, p. 20).

Graduates who have only a bachelor's have particular problems with finding a job. According to many employers, a bachelor's degree does not guarantee that a person with such a status is highly qualified, especially if a graduate has no professional experience.

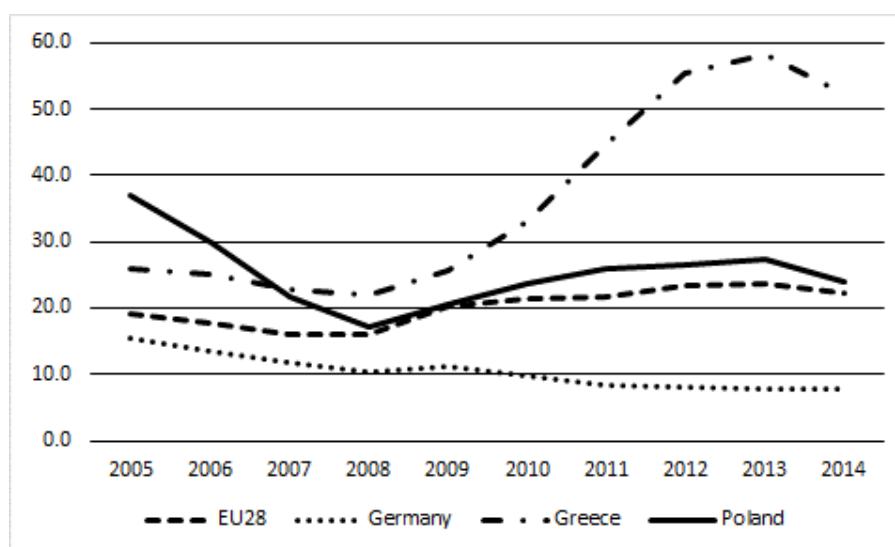


Fig. 2. Unemployment rates among persons aged 15-25 years (%) in Germany, Greece, Poland and EU28, 2005-2014, Source: Eurostat (2015).

According to the results of "Study of Human Capital in Poland" conducted in 2010-2014, in the group of the Poles aged 30 or less, 32% people with a bachelor's degree were without a job, while among people with a master's degree the corresponding figure was about 21%. Among young engineers, a rate of people without a job was at 22%, while in the group of engineers with a master's degree it amounted to 20% (Jelonek, Kasperek & Magierowski, 2015, p. 24).

Among all people who completed their studies during the last five years, the highest employment rate and the lowest unemployment rate were in the group of graduates of health, and engineering and engineering trades. Data on their employment after five years of graduation provide interesting information on the opportunities of HEI graduates in the labour market. In this group, in 2012 the lowest unemployment rate was among graduates of mathematics and statistics (1.2%), physics (1.9%), engineering and engineering trades (4%) and health (4.7%), while the highest unemployment rate was among people who have completed programmes in social sciences, agriculture and teacher training and education science (Jak zwiększyć swoje..., 2013). Graduates from good public or non-public HEIs have better chances of finding a job. Graduation of even most market-oriented programme in a poor school does not give a chance to get a stable job.

Causes of unemployment among graduates

There are many reasons why high unemployment among graduates from HEIs persists in Poland. The first of them is the wrong choice of a field of study. Results from surveys conducted among people who have completed higher education (see for example Haczek & Kłos, 2012, pp. 96-114; Wójtowicz & Tracz 2011, pp. 92-96) show that only few graduates took into account the projected labour market demand for workers in the chosen profession when they chose a field of study. Instead, they followed their interests and desire to expand their knowledge in the chosen field. Another motive for choosing a field of study was a desire to continue the family tradition, especially in the case of the legal profession. The proximity of the place of residence of a high education institution was also an important reason. It was not uncommon that the choice of a field of study was influenced by suggestions of family and friends. Young people entering higher education also believed that over time the situation on the labour market will change in favour of their field of study. The ease of studying at a specific institution could also have significance in many cases. The common perception is that requirements for students in the humanities and in all fields in part-time studies, particularly in private HEIs, are smaller than in technical fields and in full-time studies in public HEIs.

The marketization of higher education means that studies are undertaken not only by people with high intellectual abilities, but also by people with average and below average abilities. HEIs have significantly adjusted their educational requirements to the limited perception of students, which has led to the devaluation of a higher education diploma and has eroded the confidence of employers in Polish graduates.

The number of jobs for workers with high qualifications is limited both in the corporate sector as well as in the public sector. It is much smaller than the supply of graduates of economics, teacher training and education science, laws, social sciences and others. Slow economic growth in the last few years and the increase in the retirement age in Poland, which stopped the process of abandoning jobs by older workers, would not have increased the demand for such workers.

Relatively strong demand is for graduates of engineering and professions related to health care and care for the elderly. On the other hand, graduates of political science, Polish philology and foreign philology are in the worst situation in the labour market. In view of the huge surplus of graduates of these courses, employers, if at all, are going to hire someone from this group, they often set unrealistic requirements for candidates for a job and offer at most the minimum wage.

As a result of mismatch between education of graduates and expectations and needs of employers, many graduates face the necessity to take up employment inconsistent with the level and field of their education. This carries undesirable individual and social costs in the form of a lack of return of financial expenditures incurred on education. In addition, working in positions below qualifications breeds frustration among graduates and is not conducive to high productivity. This leads many young Poles to emigrate (see for example Biela, 2007). It does not solve the problem of the lack of work in their profession, but at least it allows them to earn more than it is possible in the home country.

Another adverse consequence of the surplus of graduates with a higher education diploma in the labour market, is crowding out of people with lower education but sufficient abilities to perform tasks in the given position by people with higher education. However, for the latter, it is a waste of their skills and resources. The result is a high percentage of people with "a

surplus of education" among workers in Poland – the ratio rose from 7.5% in 1998 to 19.1% in 2008 (Piróg, 2012, pp. 310-311).

Expectations and earnings of graduates from HEIs

The survey "Campus 2011" conducted on a sample of 6,500 people by Millward Brown SMG/KRC for the pracuj.pl shows that one in three graduates would like to work in the public sector, preferably in the office. A job in the public sector is more stable than in the private sector and it allows to combine better work and private life. These are mainly graduates of humanities (47% of all graduates) and economics (40% of graduates) who look for such a job. People with humanistic education also prefer scientific work and in education (31%), working in human resources management (22%) and in the uniformed services (15%). Graduates of economics, as readily as in the budgetary sphere, would work in the financial sector (40%), marketing (28%) and accounting/audit/taxes (24%). Engineers want to work primarily in positions related to material engineering, construction, modern technologies (38%) and computer science (24%) (H&R & Akademia Grupy Pracuj, 2011).

For graduates from HEIs, an ideal employer is one that offers attractive salary and stable employment. However, it is very difficult to find such employers in the market. In Poland, graduates of engineering programmes earn much more than humanities graduates. Engineers earn on average PLN 6,000-8000 and a salary of humanities graduates rarely exceeds PLN 3,000-4,000 (Wynagrodzenia absolwentów..., 2015; GUS, 2014).

Emigration of educated people from Poland

Graduates from HEIs who cannot find a job or do not accept low wages in Poland are increasingly turning to emigration. According to estimates of the Central Statistical Office, in 2011, 414,000 people with higher education, representing 7% of all population with higher education, stayed abroad (GUS, 2013). It is very disturbing that, depending on the host country, from 40% to 80% of Polish immigrants with a higher education diploma work abroad below their level of competence. This means great waste of human capital (Kaczmarczyk & Tyrowicz, 2010, p. 7).

There are many reasons why the Poles with a higher education diploma who work abroad occupy secondary job positions:

- lack of proficiency in the host country language and traveling abroad just after graduation before getting any work experience,
- being educated in the field in which there is no demand for specialists abroad,
- the need for rapid work abroad for economic reasons.

Emigration of young and educated people has a very negative impact on current and future demographic structure and the pay-as-you-go (PAYG) pension system in Poland. Sooner or later, it will lead to the lack of specialists in Poland and deterioration of the competitive position of companies pursuing a strategy of low employment costs.

Actions taken to improve the chances of graduates in the labour market

A method of reducing unemployment among graduates, which is much more beneficial than emigration, is setting up their own businesses. It is the action of people who have a business idea. However, the creation of new firms in Poland is difficult because of high costs of doing business and a lack of experience and initial capital among young people. The state is trying to solve these problems by lending to people who start their own business (loans are a subject to redemption when the new company will remain in the market for one year). Another incentive for young entrepreneurs is a preferential social insurance contribution for the first 2 years (40% of the normal premium).

In order to reduce the mismatch between the directions of education in HEIs and the demand of the national economy for educated people, in the period 2008-2013, the government implemented the ordered courses programme. The ordered courses included fields which are vital for the national economy – mostly engineering professions. Students of these courses received a scholarship in the amount of PLN 1,000 per month, and could participate in paid internship and research projects. In 2014, this program was replaced by the Competency Development Programme.

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