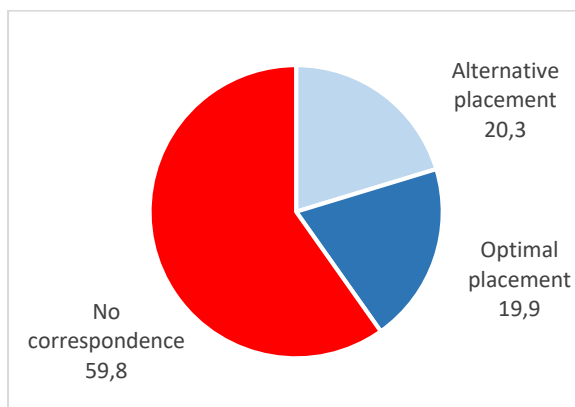


## How to reduce graduates' supply demand mismatch?

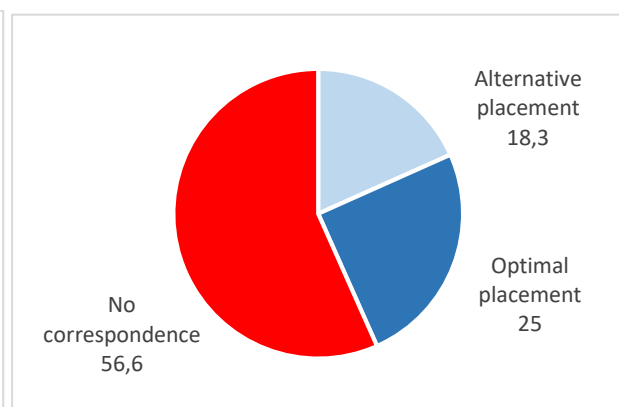
Trexima Ltd. has published<sup>1</sup> the country first ever data comparing working positions and fields of study of secondary higher education graduates. Simply said, only 20 % of graduates accepted working positions fully and another 20 % partly corresponding to programmes they completed (Graph 1). Only a slightly different pattern comes for higher education with 25 % full and a little bit less than 20 % partial matching (Graph 2). These data present situation after 5 years after graduation and are only slightly different (a few percentage points) than data concerning less than 5 years after graduation.

## People over 5 year after graduation from the point of view of correspondence between education and work placement

Graph 1 – Secondary graduates



Graph 2 – Higher education graduates



Source: Trexima Ltd.

Several questions emerged when looking on the mismatch data about 60 % in both cases: secondary and higher education:

- Is it possible to interpret this high mismatch in terms of ineffectively spent means, as economists love to do?<sup>2</sup>
- How many of those in a “mismatch” belong to the “hard core” being classified this way without any doubts, and how many of them acquired unique and important competences that were relevant and useful while jumping out of the original occupation they were trained for?
- How many of those in a “mismatch” changed their career due to “force majeure” and/or unpredictable changes the life and future always bring?
- How many of those in a “mismatch” are in fact pathfinders signalling new trends in the labour market to be better visible later in the future?

No doubts, these data are both interesting and warning, but highly at risk of overestimation by policy makers. Here are some proposals for policy makers:

We need more data (*inter alia* tracer studies) to better understand the diversity of reasons leading to this kind of “mismatch”.

<sup>1</sup> Uplatnenie absolventov stredných a vysokých škôl podľa vykonávaného zamestnania v roku 2016 [Placement of secondary and higher education graduates according to subsequent employment in 2016], available at <http://www.trexima.sk/uplatnenie-absolventov-strednych-vysokych-skol-podla-vykonavaneho-zamestnania-v-roku-2016/>.

<sup>2</sup> Unofficial estimation of costs of the mismatch between education and placement is EUR 250 million per year.

- Slovakia needs to complement “macro” comparison of codes of fields of education and working positions ISCO codes with a micro analysis focusing on individual skills, in particular those best portable/transferable, *inter alia* also to better understand new challenges emerging from the ongoing digitalisation and automatization;
- Slovakia should proceed with cautions with efforts to regulate access to education strongly based on actual “labour market needs”: Firstly, indirect mechanisms should be employed:
  - o improved career guidance and counselling in lower secondary schools with one day free weekly for counsellors, for service to children, coordinating career skills education and assisting school – businesses cooperation;
  - o tax incentives for any kind of cooperation of companies with schools to assist children and students to better understand the world of work;
  - o tax incentives for all modes of work based learning offered by companies.

Furthermore, Slovakia should

- introduce dual VET combined with employment of learners as the best prevention of future mismatch;
- rethink reducing provision of too specialised and narrow programmes with school based IVET;
- introduce measures preventing weakening outcome standards, *inter alia* by making a difference between certification of completed programme and certification of qualification/level of education.

These proposals are among many others contained in of the Learning Slovakia strategy paper completed after 1.5-year work and two rounds of public consultations in September 2017<sup>3</sup>.

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<sup>3</sup> Učiace sa Slovensko [Learning Slovakia] strategy paper for education reform (259 pages), VET strategy in pages No. 125-172, available (in Slovak only) at [http://www.minedu.sk/data/files/7531\\_uciace-sa-slovensko\\_09\\_2017.pdf](http://www.minedu.sk/data/files/7531_uciace-sa-slovensko_09_2017.pdf).