



‘Matching higher education and the labour market’

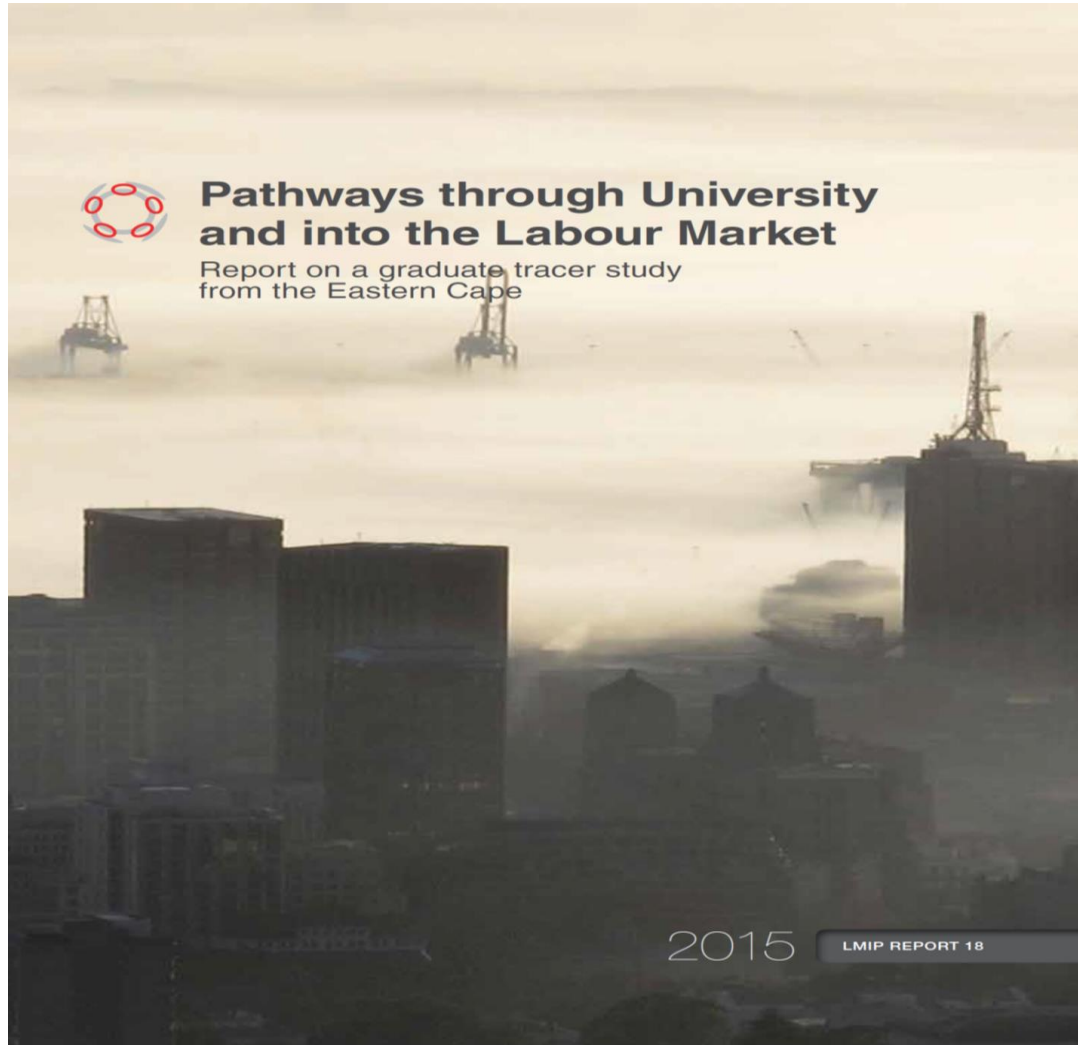
RESEARCH COLLOQUIUM ON SKILLS PLANNING

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Rationale:

Graduate unemployment:

- 1) Tremendous waste of human and financial resources
- 2) Sends a 'signal' about the functioning of the higher education system
- 3) Mismatch between skills supply and skills demand?
- 4) Linked with an over-supply of certain skills- e.g. general degrees?



What we know:

Good news:

- Graduate unemployment rate consistently < 5% (this compares favourably in international terms)
- Very little evidence that graduate unemployment is increasing
- Only slightly higher for younger graduates (10-12%)
- Unemployment among black graduates also low and decreasing (but still persists)

Source: van der Berg and van Broekhuizen (2012)

What we know:

Bad news:

- Gendered and racial differences in the risk of unemployment among graduates persist
- Risks of unemployment vary considerably between universities (Bhorat et al. 2010; van Broekhuizen, 2016)
- We don't know much about field of study- small sample sizes + mixed evidence
 - E.g.- a recent QLFS only recorded 62 young people (age 21-24) who obtained a Bachelor's degree



Why are some graduates unemployed?

- Higher for Humanities and Arts graduates (but contested)
- Higher rates of unemployment among HDIs (e.g. van Broekhuizen 2016):
 - 1) Field of study?
 - 2) A problem of matching? (Altman 2007)
 - 3) A 'signalling' problem? (Pauw et al. 2006)
 - 4) Poor social networks in the private sector (Kraak 2010)



Eastern Cape Graduate Destination Study



Objectives:

Graduate unemployment:

- Linked with study choices or performance at university?
- Or linked with 'non-HE' factors such as social networks, schooling disadvantages, institutional signalling, information asymmetries, or discrimination



Methods and data:

- Tracer study of the 2010 and 2011 cohorts from the University of Fort Hare (HDI) and Rhodes University (HAI) who graduated with a Bachelor's degree
- Stratified (by subjects and institution) probability sample of 1,211 graduates representing the total population of 4,927 graduates
- Response rates of 39% and 47% per cent, respectively
- Fieldwork = online survey and telephonic interviews

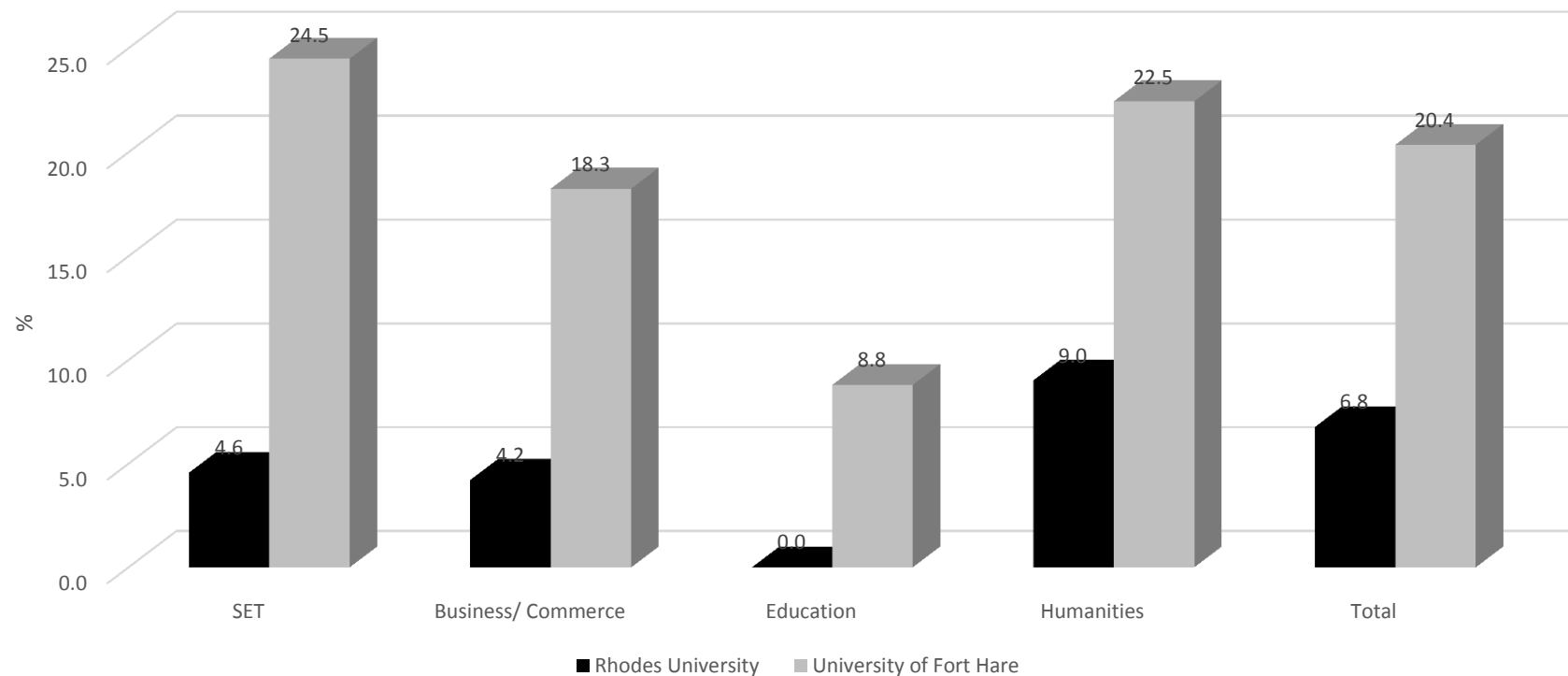
Table 2: Field of study, by university and population group

	Rhodes University				Total
	Black African	Coloured	Indian or Asian	White	
SET	21.72 (3.70)	1.92 (1.96)	40.66 (10.24)	19.16 (2.21)	20.60 (1.91)
Business/ Commerce	34.98 (4.41)	19.23 (11.91)	23.08 (7.67)	21.08 (2.37)	26.05 (2.18)
Education	1.69 (0.97)	3.85 (2.82)	0.00 (0.00)	0.44 (0.22)	0.95 (0.37)
Humanities	41.61 (4.19)	75.00 (12.06)	36.26 (10.10)	59.32 (2.86)	52.40 (2.38)
Total	100.00	100.00	100.00	100.00	100.00
	University of Fort Hare				Total
	Black African	Coloured	Indian or Asian	White	
SET	18.54 (1.47)	8.20 (5.87)	0.00 (0.00)	0.00 (0.00)	17.43 (1.38)
Business/ Commerce	24.45 (1.58)	26.23 (12.73)	46.15 (29.15)	39.06 (8.18)	25.23 (1.54)
Education	9.27 (1.40)	11.48 (7.80)	0.00 (0.00)	25.00 (8.08)	9.97 (1.36)
Humanities	47.73 (1.94)	54.10 (13.76)	53.85 (29.15)	35.94 (9.40)	47.37 (1.88)
Total	100.00	100.00	100.00	100.00	100.00

Notes: The data are weighted. Standard errors are in brackets.

Findings: graduate unemployment

Figure 1: Broad unemployment rates (as of March 1st), by field of study



Notes: The data are weighted.

Figure 2: The correlates (log odds) of graduate unemployment, by university (main effects)

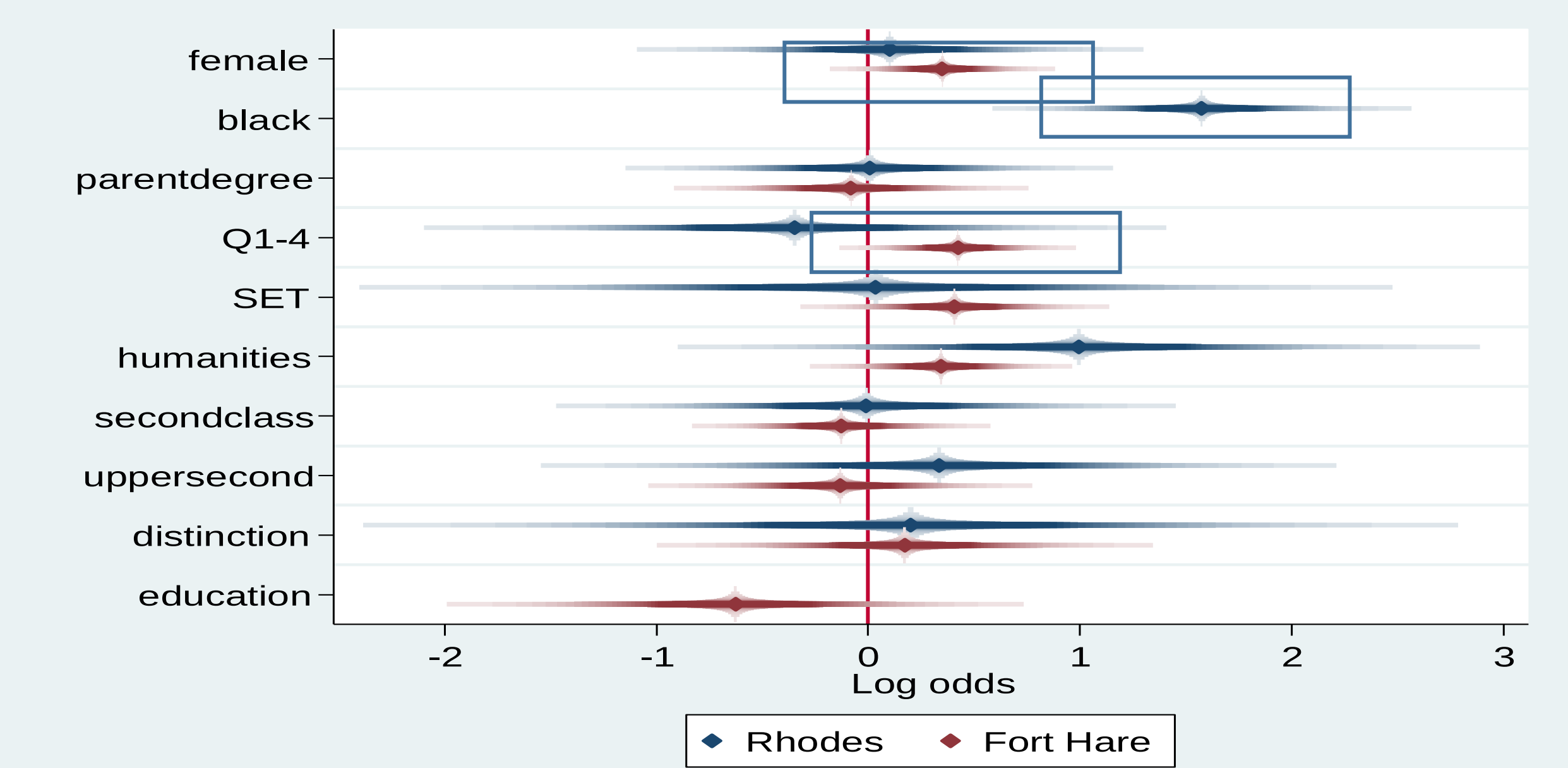


Figure 3: The correlates (log odds) of graduate unemployment, by university (interaction terms)

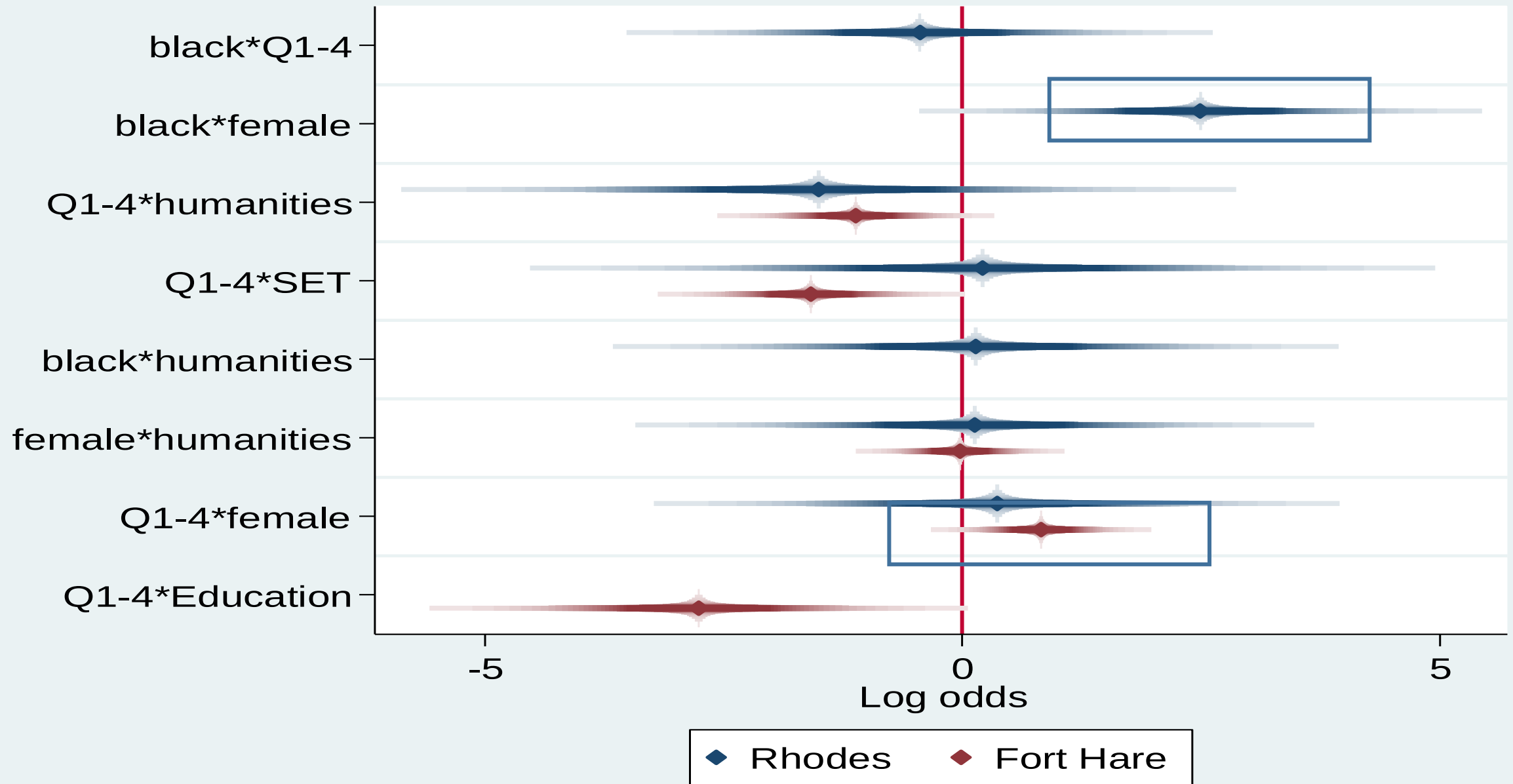
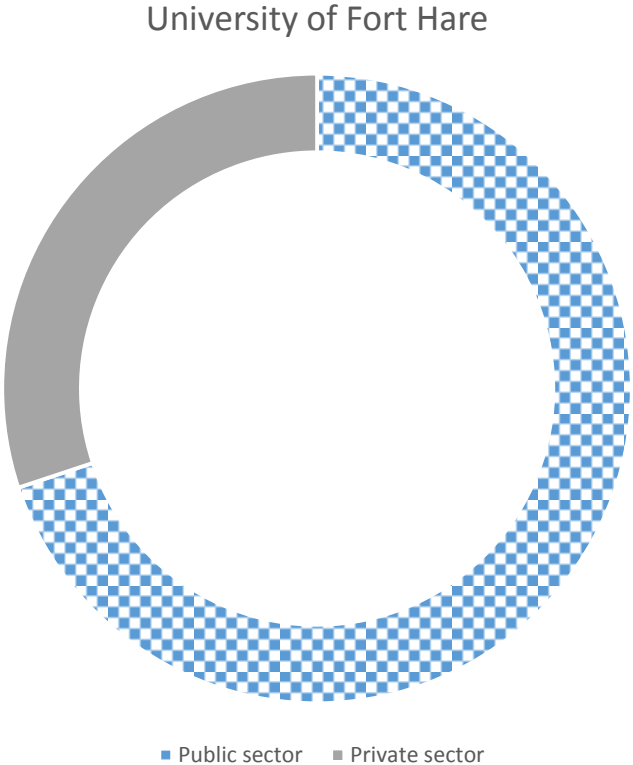
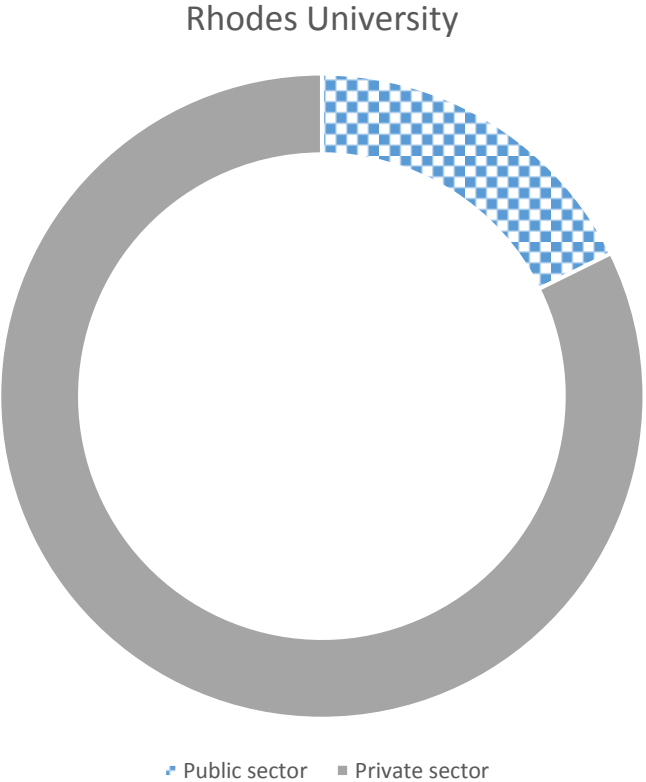


Table 4: Means of finding employment (among employees- i.e. not the self-employed)

	Rhodes University				
	SET	Business/ Commerce	Education	Humanities	Total
Employment agency	13.16 (4.06)	12.73 (3.58)	0.00 (0.00)	7.25 (1.87)	9.84 (1.61)
Relatives	6.04 (2.66)	5.15 (2.12)	0.00 (0.00)	7.75 (1.92)	6.59 (1.27)
Linked to bursary	1.55 (1.54)	4.43 (2.27)	0.00 (0.00)	2.10 (1.04)	2.63 (0.89)
Social media	4.96 (2.46)	15.08 (3.97)	21.05 (18.05)	11.82 (2.32)	11.56 (1.74)
Personal contacts	21.02 (4.56)	27.07 (4.56)	27.63 (18.35)	34.12 (3.41)	29.56 (2.38)
Newspaper	8.76 (3.91)	9.78 (3.44)	60.53 (18.99)	11.08 (2.24)	10.86 (1.71)
Campus recruitment	3.77 (2.17)	8.69 (2.90)	6.58 (6.66)	5.23 (1.61)	5.95 (1.24)
	University of Fort Hare				
	SET	Business/ Commerce	Education	Humanities	Total
Employment agency	0.00 (0.00)	4.50 (1.57)	0.00 (0.00)	1.62 (0.80)	1.92 (0.56)
Department of Labour	10.03 (3.18)	6.16 (1.89)	11.90 (5.62)	8.82 (1.80)	8.68 (1.28)
Relatives	1.21 (1.20)	3.08 (1.36)	1.82 (1.81)	3.42 (1.22)	2.79 (0.73)
Linked to bursary	12.11 (3.44)	4.92 (1.70)	21.56 (6.59)	15.48 (2.32)	12.91 (1.52)
Social media	5.84 (2.54)	7.84 (2.09)	0.00 (0.00)	4.36 (1.29)	4.99 (0.91)
Personal contacts	8.39 (2.86)	13.84 (2.66)	7.84 (3.82)	11.78 (2.15)	11.32 (1.37)
Newspaper	36.62 (5.04)	40.69 (3.87)	20.55 (6.08)	37.50 (3.13)	36.23 (2.10)
Campus recruitment	8.82 (2.99)	4.16 (1.55)	3.30 (3.23)	4.75 (1.34)	5.08 (0.96)

Figure 4: Sector of employment, by university



Conclusions:

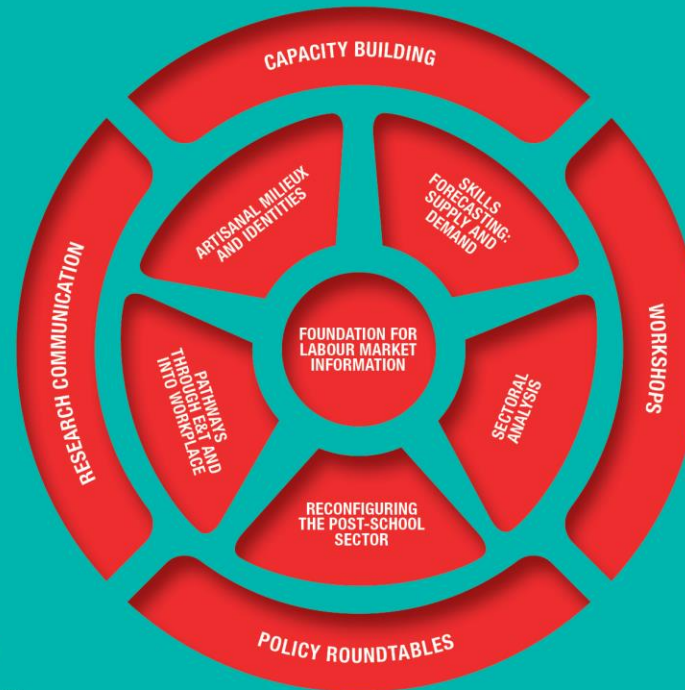
- Disadvantages in schooling quality carrying over into the labour market (even for successful graduates)
- Risks of graduate unemployment as well as the determinants differ by institution
- Signalling vs. matching/social networking?
- Policy interventions should not be uniform across all universities
- **Work in Progress**: Are graduates finding employment which is linked with their studies?



THANK YOU



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