

УДК 37(4/9)

## ISRAELI EDUCATION MARKET

*Awada Saleh*  
doctoral student,  
Free International University  
of Moldova,  
Carmel College, Israel

### **Аннотация**

Соңғы 50 жылдықта индустриализация үрдісінің нәтижесінде білім беру жүйесінің кәсіби құрылымы жетілдірілді, сонымен қатар, білікті, тәжірибелі, жоғары білімді жұмыс күшіне сұраныс артуда. Кәсіби иерархияның төмен деңгейлі қызметіне орналасу үшін білім деңгейі маңызды болды.

Индустриализациядан кейінгі қоғамда адамдар орта білім алады, болжам бойынша, орта білімнен жоғары білімді талап ететін мамандықтар артып келеді, арта береді де. Жоғары білімнің маңыздылығы артса да, жоғары білімнің қызметке ұласуы туралы зерттеулер аз. Бұл ұласу еңбек нарығындағы кәсіби жіне академиялық білім арасындағы қарама-қайшылық негізінде. Жоғары білім классификацияларын қолдану арқылы еңбек нарығының дамуын қарастыратын зерттеулер аз. Бұл мақалада біз жоғары білімнің маңызды екі аспектісі: берілетін дәреже түрі және зерттеу саласына тоқталамыз.

### **Аннотация**

В последние 50 лет возросла роль улучшения профессиональной структуры в системе образования в результате процессов индустриализации и, в частности, вырос спрос на квалифицированную, опытную и высокообразованную рабочую силу. Одновременно с этим, уровень образования стал важным для трудоустройства и на нижнем уровне профессиональной иерархии.

Поскольку большинство людей в постиндустриальном обществе имеют среднее образование, то доля профессий, которые требуют образование выше среднего, выросла, и, согласно прогнозам, будет продолжать расти. Хотя важность высшего образования возросла, существует сравнительно мало исследований о переходе от получения высшего образования к работе. Этот переход, как правило, понимается как следствие противостояния между профессиональным и академическим образованием на рынке труда. Мало исследований рассматривают развитие влияния образования на рынке труда, используя детальную классификацию высшего образования. В этой статье мы сосредоточимся на двух важных аспектах высшего образования: вида полученной степени и области исследования.

### **Abstract**

In the past 50 years participation in the education system has increased and the upgrading of the occupational structure as a result of industrialization processes has created, inter alia, a demand for a skilled, sophisticated and highly educated labor force). Concurrently, educational qualifications have become important step for employment at the bottom of the occupational hierarchy.

As most individuals in post-industrial societies attain secondary education, the proportion of occupations that require post-secondary education has grown, and is projected to continue growing. Although high-level credentials have become more important, there is relatively little research on the transition from higher education to work. This transition is usually conceptualized as labor market consequences of a very crude classification of vocational versus academic

*tracks in higher (mainly secondary) education. There are little number of researches that have explored labor market consequences using a detailed classification of tertiary education. In this article, we focus on two important aspects of tertiary education: type of given degree and field of study.*

**Түйінді сөздер:** орта білім, қамту, білікті түлек.

**Ключевые слова:** среднее образование, занятость, квалифицированный выпускник.

**Keywords:** secondary education, employment, qualified graduate.

## 1. Introduction.

Academic literature has long been interested in earnings management by companies. Many surveys have been published on this topic (Barnea et al., 1976; Imhoff, 1977; Ronen and Sadan, 1981, p. 474; Buckmaster, 1992, 1997; Healy and Wahlen, 1999; Dechow and Skinner, 2000; Fields et al., 2001; Stolowy and Breton, 2004). With major scandals around the world shaking investors' faith in published company accounts, the scale of the problem has recently come under the spotlight. Top executives have been found to manage their earnings aggressively, through accounting sleight-of-hand and corporate policies designed to improve their companies' apparent performance (Ding, Zhnag & Zhnag, 2007, pp. 223).

In the past 50 years participation in the education system has increased and the upgrading of the occupational structure as a result of industrialization processes has created, inter alia, a demand for a skilled, sophisticated and highly educated labor force (Murane & Levy, 1996; Shavit & Müller, 1998). Concurrently, educational qualifications have become important for employment at the bottom of the occupational hierarchy (Collins, 1971, p. 1003), (Katz-Gerro & Yaish, 2003, pp. 571).

As most individuals in post-industrial societies attain secondary education, the proportion of occupations that require post-secondary education has grown, and is projected to continue growing. Although high-level credentials have become more important, there is relatively little research on the transition from higher education to work. This transition is usually conceptualized as labor market consequences of a very crude classification of vocational versus academic tracks in higher (mainly secondary) education (cf. Shavit & Müller, 1998). Little research has explored labor market consequences using a detailed classification of tertiary education. In this paper, we focus on two important aspects of tertiary education: type of degree attained and field of study (Katz-Gerro & Yaish, 2003, pp. 571).

The increasing demand for a skilled and highly educated labor force resulted, among other things, in policies that aimed to elevate the overall educational level in the population (cf. Shavit & Müller, 1998). An important aspect of the expansion of education systems is the growing tendency of these systems to become horizontally stratified. For example, the introduction of vocational tracks in secondary education parallel to the existing academic track made it possible for previously excluded groups to attain secondary education (cf. Shavit & Kraus, 1990). More relevant to the current study, though, is the high degree of differentiation and specialization in tertiary education. It has been previously shown that the distribution of individuals across the different fields of study within tertiary education is uneven. Most notable is the very high and persistent level of sex segregation in tertiary education, where men and women occupy different—sex-typical—fields of study (cf. Jacobs, 1995; Jonsson, 1999). This is in spite of the equalization, in most modern societies, between men and women in the overall level of educational attainment (cf. Shavit & Blossfeld, 1993). The high level of sex segregation in tertiary education is then carried over into the labor market. It is well documented in the sociological and economic literatures that the characteristics of sex-typical occupations are distinct. Compared to occupations that are dominated by men, occupations dominated by women tend to have lower rates of pay, are less likely to offer fringe benefits and to afford opportunities for training, promotion or the exercise of authority (cf. Reskin, 1993, p. 242). The literature has also documented men's advantage over women in female-dominated occupations. The gender income gap is higher in female-dominated occupations than in male-dominated occupations

(Williams, 1995; Morgan, 1998), while men in female-dominated occupations tend to occupy top managerial positions (Schreiber, 1979; Williams, 1989, 1995), (Katz-Gerro & Yaish, 2003, pp. 571-572).

The labor market outcomes mentioned above (i.e. the dependent variables) are determined by three main factors: social origin, educational history, and labor force activities. We represent these factors by a series of independent variables. Social origin measures are represented by three variables: Father's Education includes five categories: primary education or less, secondary vocational education, secondary academic education, post-secondary education, and university degree. We construct five dummy variables from these categories and contrast the first four with the last one. We also use father's education as a proxy for father's occupational prestige since the latter is not available. Ethnicity is measured on the basis of the respondents' and their fathers' country of birth: European-American origin and Israeli origin (Ashkenazi) contrasted with Asian-African origin (Mizrahi). We can see in Table I that the majority of respondents are from Ashkenazi origin (90%). It is well documented that in Israel, Mizrahi Jews attain less education compared to Ashkenazi Jews (Kraus & Hodge, 1990). Religiosity is measured on the basis of attendance at a religious high school contrasted with a non-religious high school (Katz-Gerro & Yaish, 2003, pp. 578).

## 2. Materials and Methods.

The authors used the following methods: a method of logical analysis, the comparative method, statistical method, the method of induction and deduction, quantitative and qualitative, descriptive and analytical methods.

## 3. Results.

Respondent's educational history was measured by three variables: Secondary School is a measure with three categories: Academic secondary school, Vocational secondary school, and External secondary school. The latter refers to individuals who obtained their secondary certificate (matriculation diploma) in alternative systems. These vocational post-secondary studies, however, lead to the matriculation diploma and are not to be confused with vocational studies that prevent one from obtaining a post-secondary degree (cf. Shavit, 1984). Degree includes four categories, representing the highest degree obtained: Post Secondary (mostly vocational), BA, MA, and Ph.D. Here we can also see a disparity between the sexes; women are over-represented in post-secondary degrees and under-represented in academic degrees, whereas for men the opposite is true. Field of Study is a measure with nearly 80 specific fields of study. From this information we construct 16 categories. Similar results were reported in the USA (cf. Jacobs, 1995, table 2, p. 88), (Katz-Gerro & Yaish, 2003, pp. 578).

Employment status is an important labor market outcome since higher education credentials do not always guarantee a job as labor markets may be faced with growing numbers of over-qualified individuals (Collins, 1971). If an increase in society's educational level is not coupled by a sufficient increase in demand for more qualified individuals in the labor market, unemployment rates may be relatively higher among the more (that is over-) qualified graduates (cf. Hughes & O'Connell, 1995). Occupational prestige is a common indicator of the translation of educational credentials and qualifications into desirable labor market positions. Occupational prestige is particularly relevant to the issues discussed here because it is sensitive to the distinction between field of study and type of degree. We preferred using prestige over wages because prestige is a measure of the attractiveness of an occupation rather than the attractiveness of an individual. Therefore, labor force experience (and tenure in a particular job) does not affect it. The main problem with wages, as far as our research objectives are concerned, is the time scale of this measure. Measures based on a person's current wages over a month, year, or several years will produce vastly different results because over the life cycle individuals typically experience variations in wages. Finally, we explore whether there is a job match between educational qualifications and the job one holds. An indicator of successful placement in the labor force is individuals' ability to occupy positions that are directly related to their educational career and area of expertise (Katz-Gerro & Yaish, 2003, pp. 572).

The other side of the transition from higher education to work is the labor market. In what follows we present the major features of the Israeli labor market and its economy. As a result of massive immigration waves in the early years of statehood, from 1951 through to 1953, the newly created state suffered from severe unemployment. In 1954, mainly due to reparation money received from Germany, the economy entered a period of rapid economic growth that continued until 1965. By the end of this period the reparation payments had ended (*Aharoni, 1991*), and in 1966, there was widespread unemployment and a significant drop in GDP (*Aharoni, 1991, p. 79*). Economic growth began again only after the Six-Day War of 1967, and the period from 1967 to 1972 is characterized by an exceptionally high and rapid economic growth (*Remba, 1971*). From 1974 through to 1982, economic growth came to a standstill, and then through to 1988, it improved only marginally. Towards the end of 1988, another recession gripped the economy, coupled with a relatively high rate of unemployment. Israel's economic growth has been accompanied by marked structural changes in its various economic segments. The proportion of the population actively engaged in agriculture declined, industrial growth slowed down in the late 1970s, and services expanded substantially, especially in the public sector (*Kraus, 1992*). Israel has a highly centralized, state regulated economy. Ownership of economic resources is divided between the government, the Histadrut (the General Federation of Labor), and the private sector, with a growing tendency towards privatization of government and Histadrut enterprises. Up to the early 1990s, the proportion of organized labor in Israel was amongst the highest in western societies—about 90% of the work force. The Histadrut, which is, inter alia, a labor union, negotiates collective arrangements with the government and the private sector that covers most aspects of employment relations, including pay rises (*Katz-Gerro & Yaish, 2003, pp. 574-575*).

There is another, more specific, reason for the exclusion of the Arab sub-population. This paper focuses on gender differences in labor market returns. However, the majority of Arab women do not participate in the paid economy: in 1989, for example, more than 90% of Arab women did not participate in the paid economy (CBS, 1991, p. 327, table 12.8). Thus a comparison of labor market returns between men and women amongst the Arab population is problematic (*Katz-Gerro & Yaish, 2003, pp. 575-576*).

We also restrict the analyses to younger cohorts (ages 25–44) in order to minimize the effect of career mobility. This allows us to examine the direct link between education and work. Put another way, we want to minimize the effects of experience and negotiation power on the transition into work, while focusing on individuals who were part of education systems that were similarly situated in historical and social contexts. At the same time, we have to allow for enough time for our respondents to complete military service, obtain a Ph.D. and start working. Our post-secondary vocational degree holders cannot accomplish that earlier than the age of 25, while our doctoral degree holders can reasonably accomplish that by the age of 44. Finally, we carry out the analysis separately for men and women to examine whether schooling has different labor market sequences for the two sexes (*Katz-Gerro & Yaish, 2003, pp. 576*).

The main findings can be summarized as follows. First, level of education has no effect on the chances of women to be employed, whereas for men the more education they have the higher their chances of being employed. At the same time, men and women who did enter the labor market, and who have a higher level of education, get better labor market returns. This finding refutes the over-qualification argument (*Hughes & O'Connell, 1995*), which suggests that unemployment rates may be relatively higher among individuals who attained higher education and might be over-qualified for certain jobs (*see also Wielers & Glebbeek, 1995*), (*Katz-Gerro & Yaish, 2003, pp. 585*).

#### **4. Summary and Conclusion.**

How can we explain this pattern, and especially the success of women in male professions? The patriarchy approach argues that male domination of labor markets has serious consequences for women: men deny women access to the more desirable and privileged positions in the labor market. This being the case, it is expected that men and women will not have similar occupations and that men will have better labor market outcomes when compared to women (*Acker, 1990; Raskin &*

*Padvic, 1994*). Indeed, research has shown that occupations held primarily by women are much less rewarding than those held by men, even when comparing workers with equal resources (*cf. England, 1981; Jacobs, 1989*), (*Katz-Gerro & Yaish, 2003, pp. 585*).

A process of filtering may explain the finding that women who studied in male-dominated fields have better labor market outcomes than men do. In this filtering process, women who penetrate fields of study that are traditionally associated with men may put more effort than men into their educational attainment and have higher ability than men. Thus, women's achievements in schools may exceed those of men. The human capital theory would then anticipate that employers would value these qualities. The finding that men in female-dominated fields of study do better than women is then explained by the fact that men control the labor market (*cf. Williams, 1989, 1995*) (*Katz-Gerro & Yaish, 2003, pp. 585*).

The formation, persistence, and effects of new groups suggest that new configurations of social and human relations could be prerequisites for long-term improvements in natural resources. Regulations and economic incentives play an important role in encouraging changes in behavior, but although these may change practices, there is no guaranteed positive effect on personal attitudes (28). Without changes in social norms, people often revert to old ways when incentives end or regulations are no longer enforced, and so long-term protection may be compromised (*Pretty, 2003, pp 1914*).

Social capital can help to ensure compliance with rules and keep down monitoring costs, provided networks are dense, with frequent communication and reciprocal arrangements, small group size, and lack of easy exit options for members. However, factors relating to the natural resources themselves, particularly whether they are stationary, have high storage capacity (potential for biological growth), and clear boundaries, will also play a critical role in affecting whether social groups can succeed, keep down the costs of enforcement, and ensure positive resource outcomes (*Pretty, 2003, pp 1914*).

#### References

Ding Yuan, Zhang Hua, Zhang Junxi. Private VS State Ownership and Earnings Management: Evidence from Chinese Listed Companies // *Corporate Governance*, 15(2) (2007): 223-238.

Katz-Gerro Tally, Yaish Meir. Higher Education: is More Better? Gender Differences in Labor Market Returns to Tertiary Education in Israel // *Oxford Review of Education*. – Vol. 29. – No 4, December 2003. – pp. 571-592.

Pretty Jules. Social Capital and Collective Management of Resources // *Science*, 302 (2003): 1912-1914.