

How young Greeks changed their degree choices as the economy crashed

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Youth unemployment has been a persistent problem in Greece since the start of the country's financial crisis, but how has the crisis affected the career choices made by young Greeks? [Rigissa Megalokonomou](#) writes on trends in the university subjects chosen by Greek students. She notes that there has been an increase in the popularity of courses associated with good employment prospects such as healthcare and law, but that certain academically challenging fields such as engineering have experienced a drop in enrolments.



The Greek financial crisis has been one of the most severe in the developed world since 1929. Its effects on education have been real and biting. Public spending on education in Greece has been reduced by 40 per cent and more than 100 schools have been closed since 2009, as well as [some universities](#). The overall uncertainty about the future of the country has had catastrophic consequences on all sectors of the economy, but also on the educational decisions of young Greeks.

My [research has found](#) that, in the face of tighter budget constraints, students are changing their minds about what to study. There has been an increase in university majors that are tied to jobs with good employment opportunities, such as healthcare or law, and a rise in the popularity of courses that provide an early source of income such as the military and police academies. But there has also been a drop in those courses that are academically challenging, such as engineering and computer science.

The choices of young Greeks

Free education is a constitutional right in Greece and every tertiary educational institute is public. Students do not have to pay fees or take student loans in order to study – and the only criterion for university admission is how well students do in a series of university admission exams called the Panhellenic National Examinations. Once they get to university, it takes Greek students four years to get their degree.



In a recent paper, co-authored with my colleague Sofoklis Goulas, we used unpublished data provided by the Hellenic Ministry of Education to assess how the financial turmoil has reshaped demand for particular college majors. When Greek students apply to university, they submit a ranked list of university departments they would like to be admitted to. Using data from 2003 to 2011, our study looked at how 17 and 18 year-old high school student's choices of preferred majors changed during the first years of the financial crisis.

Looking for good employment prospects

We found that students switched away from college majors that have poor employment prospects and preferred

majors that offered less precarious routes to employment. Medicine, psychology, military, pharmacy, mathematics, statistics, humanities and law departments were very popular majors during the first years of the crisis between 2009-2011, due to good expected employment prospects.

Between 2003-2008 and 2009-11, there was a 21 per cent increase in humanities students and a 45 per cent increase in those choosing psychology. In pre-crisis Greece, there were only a few psychologists because the demand for them was low. However, after 2009 the rise in people with financial issues caused mental health problems and the demand for psychological treatment – and psychologists – increased. Historically, Greece had one of the lowest suicide rates in the world, but the [mean suicide rate rose by 35 per cent](#) between 2010 and 2012.

There was a 35 per cent increase between 2009 and 2011 in students listing majors related to the military and police as their most preferred choices. Individuals who join the armed forces sign an enlistment contract, binding them to service after graduation and immediately receive a monthly stipend. But fields such as business and management, education, languages and history fell in popularity during the crisis. For instance, there was a 26 per cent decrease between 2009 and 2011 in the popularity of students preferring to study business-related majors, given that the expected earnings from these degrees have fallen.

After 2009, business-related jobs such as analysts and consultants in both the public and private sector have suffered the most with significant cuts in salaries and high unemployment rates. The only exception here was tourism management and hospitality degrees, where there was a 10 per cent increase between 2009 and 2011, given that the tourism industry [continues to expand](#).

Away from challenging degrees

We also found evidence that students switch away from college majors that are more academically rigorous, such as engineering and computer science. This can be explained by the fact that academic returns on investment fall during recessions: there is less of a difference in wages between graduates of different fields, so students do not exhaust themselves in very challenging majors but rather switch to less difficult degrees.

Knowing the types of majors that students are more likely to choose during recessions can be useful for the politicians who allocate resources to universities. Higher education can be the best protection against financial crises. In a December 2013 [report](#), the OECD argued that the unemployment rate among highly educated adults across OECD countries increased by only 1.5 per cent from 2008 to 2011, whereas it had increased by almost 4 per cent for those with lower levels of education. As a result there has been a renewed effort to increase post-secondary enrolment and graduation rates around the world.

Back in Greece, [in May 2015](#), 51.8 per cent of 15-24 year olds were unemployed. It is therefore vital to understand both the country's needs and student demand for higher education. The decision of young Greeks about what to study and whether to do it domestically or abroad will determine the labour supply and the structure of the economy for the next few decades.

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