

# University Towns and Local Labor Markets<sup>1</sup>

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## Abstract

*An increasing concentrations of students in towns and cities, is called 'studentification' of cities, leads to the cultural, social, physical and economical transformations. From the economic point of view studentification influences most of all the labor market and the real estate market. The aim of this paper is to analyze impact of universities on the local labor market. Slovakia has around 140,000 full-time students from 36 universities in 2013, in 19 cities. We elaborated a case study of University towns and local labor markets on University of Economics in Bratislava and we use a questionnaire survey with sample 1100 full-time student. In the empirical part we will focus on the status of students of the University of Economics in Bratislava in the labor market in Bratislava. The results indicate that working students are 60%. Most students work in sector of Financial and insurance activities and job position as Office workers.*

**Key words:** University, Labour market, Studefication, UEBA

**JEL Classification:** R11

## 1 Introduction

Modern universities are not only institutions that offer education, but also are important players in local development. They are also increasing the supply of student work in the local economy. The region where the University is located provides two kinds of effects: short and long term. In the short term we can observe expenses associated with the university and its connection with the outside, such as their effects on the labour market, and the income and expenses of the university students. On the other side long-term impacts are associated with the growth of human capital (wage growth), with the creation and growth of companies etc. In recent years, Slovakia has been a dramatic increase in the number of university students. The concentration of large numbers of students at one point led to a significant change in the cultural, social and economic fields. The term 'studentification' was established by Smith (2002) to describe the growth of high concentrations of students within the localities of HEIs (Higher Education Institutions), often accommodated within HMOs (Houses in multiple occupation). From the economic point of view studentification brings a benefits such as increasing spending in the local economy, spin-off companies, and related educational and cultural advantages.<sup>2</sup>

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<sup>2</sup> UNIVERSITIES UK. 'Studentification': a guide to opportunities, challenges and practice. London, 2006. ISBN 1 84036 127 1.

This topic was addressed several studies that examined the impact of student work on student performance (Pollard, and Pearson, 2004). The results of these study was that students who are engaged in paid work, are disadvantaged in education. Next studies suggest that student work has two basic effects (Humphrey, 2006):

- the educational attainment
- and life experiences.

Students who work part-time during the school period tend to have worse marks for their academic work and weaker social relationships. For reasons of less participation in extracurricular activities that constitute social capital, generated in college. On the other hand, researchers say that the labor market for highly skilled labor is saturated. For reasons the mismatch between the skills and knowledge graduates, developed the of study programs and requirements of employers. (Deer and Mayhew, 2007). Munro et al (2009) points out that the growth of the students brought with it the need for new and different services in nearby locations. Employees are not extrusion, but student work creates new opportunities that did not exist before. Other advantages which flow to the employer of student work is flexible working hours, the ability to work through the holiday and night, hiring students for occasional, irregular and one-time opportunity to work and immediately terminate an employment relationship etc. Munro (2009) found that students provide flexibility to employers, fill evening and weekend shifts, and will work 'flex up' hours in response to busy periods.

This article will examine the labor market of university students and also find out the difference between faculties UEBA. The data in this study will be drawn from the results of a survey of students at the University of Economics in Bratislava (UEBA). In first question of article we try to answer whether students displace of domestic workers from the labor market. Another question the study asks, who works within the student population, and how it differs between faculties of UEBA.

## **2 Methodology**

University of Economics in Bratislava is the oldest university of economics in Slovakia. Currently, the seven faculties EU studying in various forms for more than 8,000 full-time students. The survey was obtained by questionnaire survey at the EUBA. The questionnaire was to examine the status of students EUBA the labor market in Bratislava and compare the results between faculties. Acquired results were processed into transparent tables and graphs, so we used a quantitative method. When creating a data collection questionnaire, we followed the statistical rules of questionnaire surveys. Thus we made a survey on the quality of students EUBA position in the labor market in Bratislava. The questionnaire consisted of three parts. In the first part, we investigated the status of the student labor market in Bratislava. Part A contains 6 questions: to work during the school in 2013, the nature of work, motivation to work, occupation, sector, and in which months in 2013 have worked. Part B investigated number of hours worked and the hourly wage. In section C, we investigated the information about the respondent.

Our survey was conducted on a sample of full-time students, which represented the total composition of full-time students studying in UEBA (except the Faculty of Business, it is locates in Košice). We collected a total of 1,100 questionnaires. The research consisted of

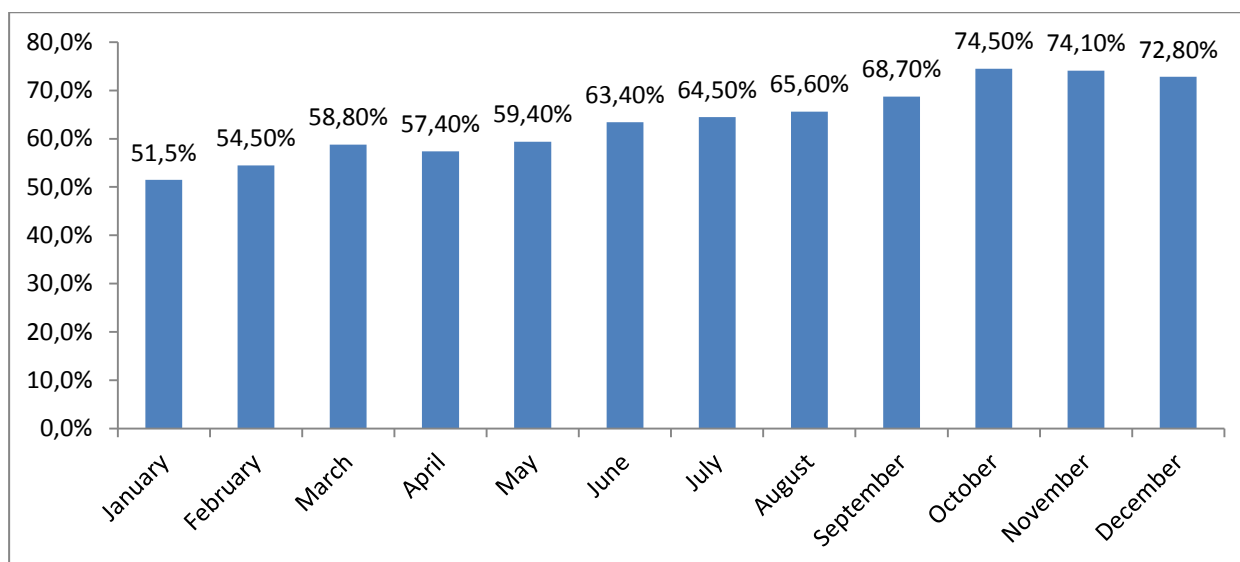
8062 full-time students, who were divided according to the different faculties. Working students was 60%. Women accounted for 67.5% of working students.

### 3 Results

Bratislava has 13 colleges and 3 detached offices with 53,279 full-time students, which represents over 18% of the number of employees in Bratislava. In our previous research, we have examined income and expenditure by students. The questionnaire survey on a selected sample of students shows that working students are 60%. This represents around 32,000 working students. In survey local impact on a student of UEBA in the labor market, the median of students worked hours per is 66 hours. a moth. Median gross hourly wage is 2.2 after € 4,1 / h. Up 41% of students work in the afternoon (Table 1). Most students work on Friday in afternoon (13:00 to 17:00).

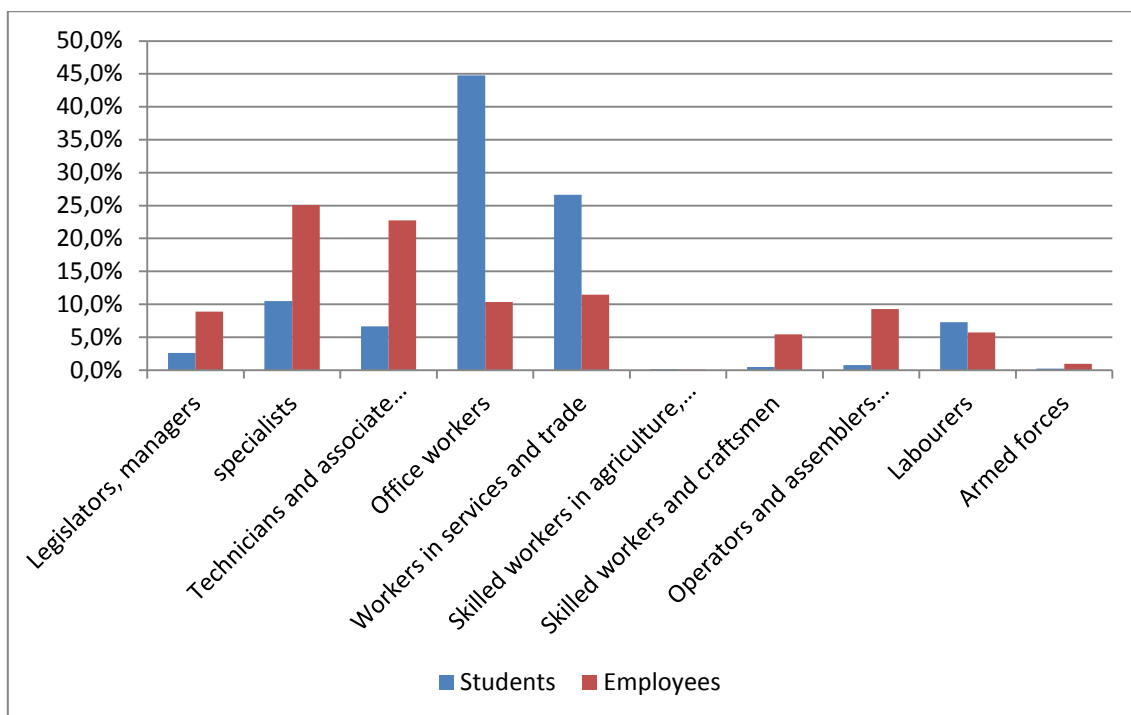
**Tab. 1 Working hours of students in the week**

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
0:00 – 7:00	0,6%	0,5%	0,6%	0,5%	1,3%	0,8%	0,7%	5,2%
8:00 – 12:00	5,7%	4,2%	5,5%	5,4%	9,1%	2,9%	2,0%	34,7%
13:00 – 17:00	6,8%	5,6%	6,8%	7,6%	9,2%	3,2%	2,6%	<b>41,9%</b>
18:00 – 24:00	2,5%	1,8%	2,6%	3,1%	3,5%	2,5%	2,2%	18,2%
Total	15,6%	12,2%	15,5%	<b>16,7%</b>	<b>23,1%</b>	9,4%	7,6%	



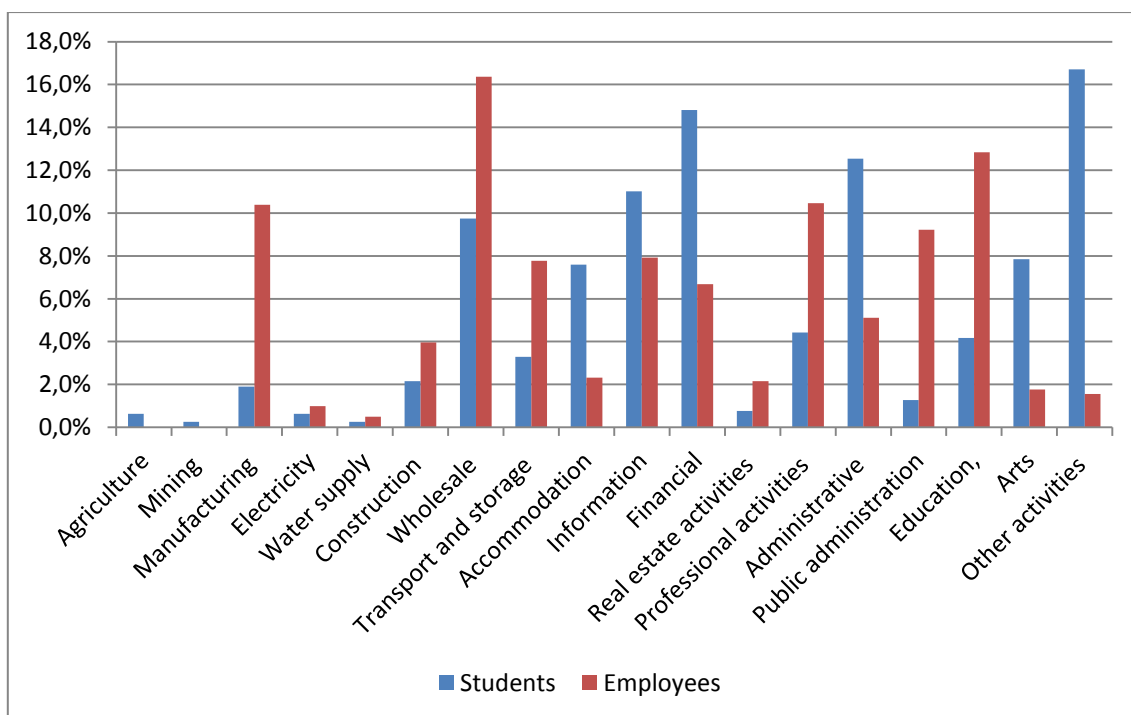
**Graph 1 Months in which students worked (in 2013)**

In 2013, most students were working in the months of October, November, December (over 70%). These months represent the beginning of the school year and therefore the greatest demand for student work. Conversely, students are working at least during the summer examination period (difference of around 20%).



**Graph 2 Working positions of students compared with employees**

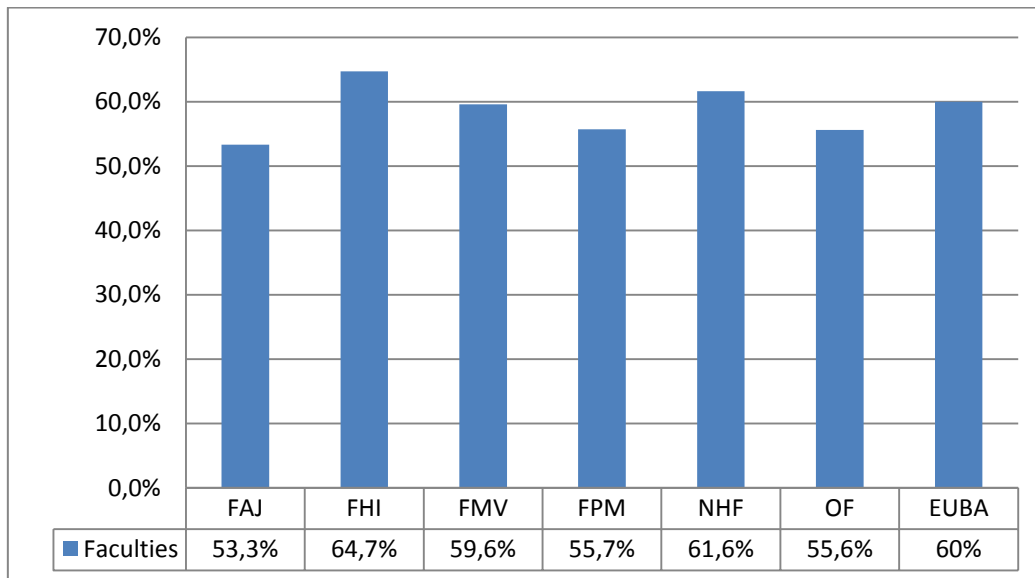
As we can see according to graph 2 jobs of students are distributed into just 2 occupations. Most are working as Office workers with 45%, with a job description, such as translation, secretarial work, accounting, working with SAP etc. 27% are working in services and trade (especially as a waitress or hostess). Comparing by occupation (ISCO-08 SK) students have 4,5 times greater representation in the employment of administrative staff and 2,5 times greater in employed Workers in services and trade as employees. Relatively the same ratio in employing qualified Labourers. The most interesting jobs for students are administrative workers and workers in services and trade.



**Graph 3 Industries in which students are employed compared with employees**

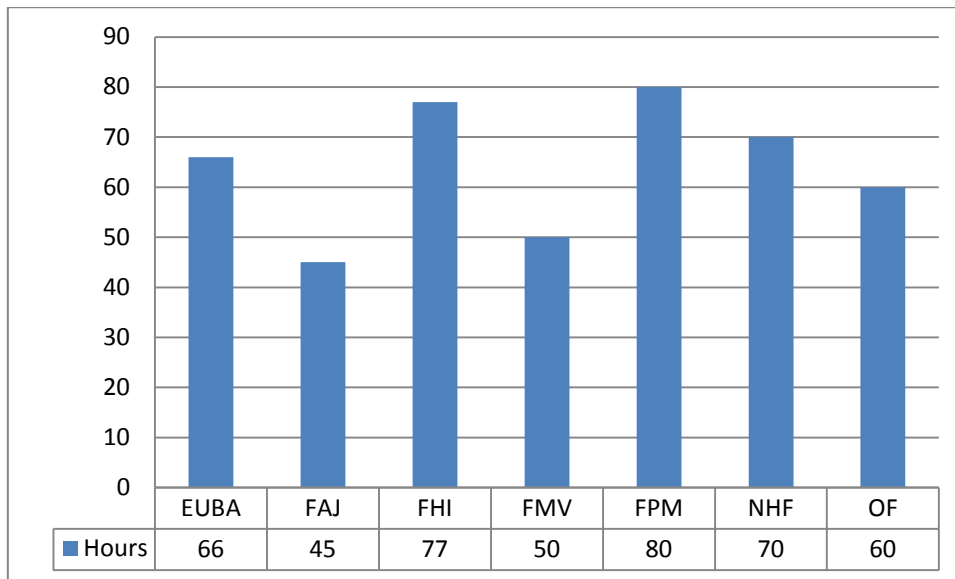
Students are strongly represented as employees in Financial and Administrative. Greatest difference compared of students and employees can be seen in Public administrative, where students work almost 7 times more than employees. We can see the employees exceed of students in industries Manufacturing, Wholesale, Transport and storage, Professional activities, Public administration and Education. Large number of students working in the Others activities. Holds that the students did not know to select the right sector.

In the next section we will compare the status of student UEBA the labor market within the faculties. According to graph 4 we determine what percentage of students worked in 2013 in Bratislava. The total number of full-time student UEBA (except Faculty of Business Administration, because it locates in Košice) is 8062 students. Number of full-time students are on faculties: Faculty of Applied Languages (FAJ) 142, Faculty of Informatics (FHI) 1717, Faculty of International Relations (FMV) 616, Faculty of Business Management (FPM) 1868, the Faculty of National Economy (NHF) in 1842 and the Faculty of Commerce 1877. As can be seen in graph 4, most students are working on NHF 1135 (61.6%) and FHI in 1111 (64.7%). Conversely, at least students working on FAJ with 53.3%.



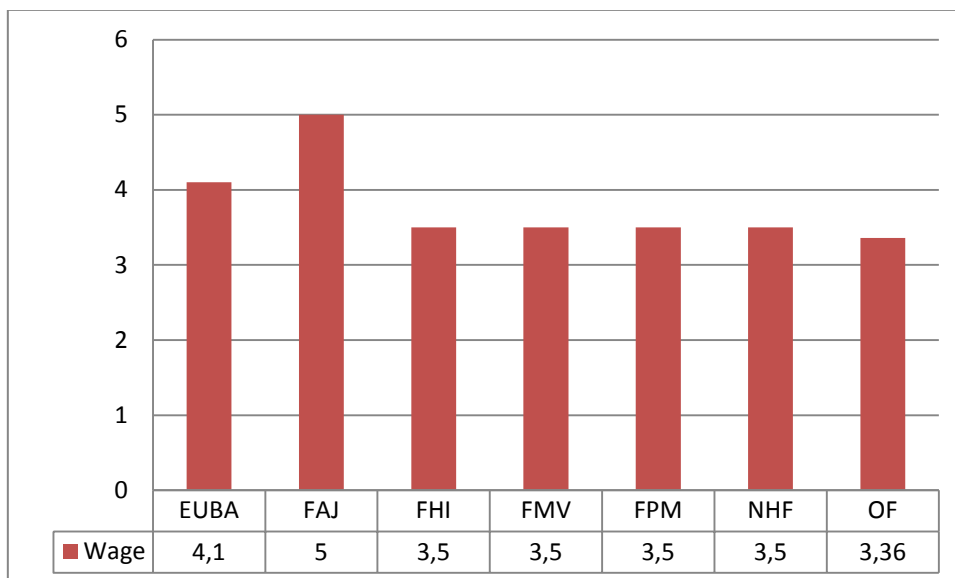
**Graph 4 Percentage of students worked in in 2013**

On the graph 5 we can see comparison faculties by the hour worked. Worked hours ranges from 45 to 80 hours. Medium monthly worked most students from FPM and FMV (about 80 h.). At least the students worked on FAJ and FMV.

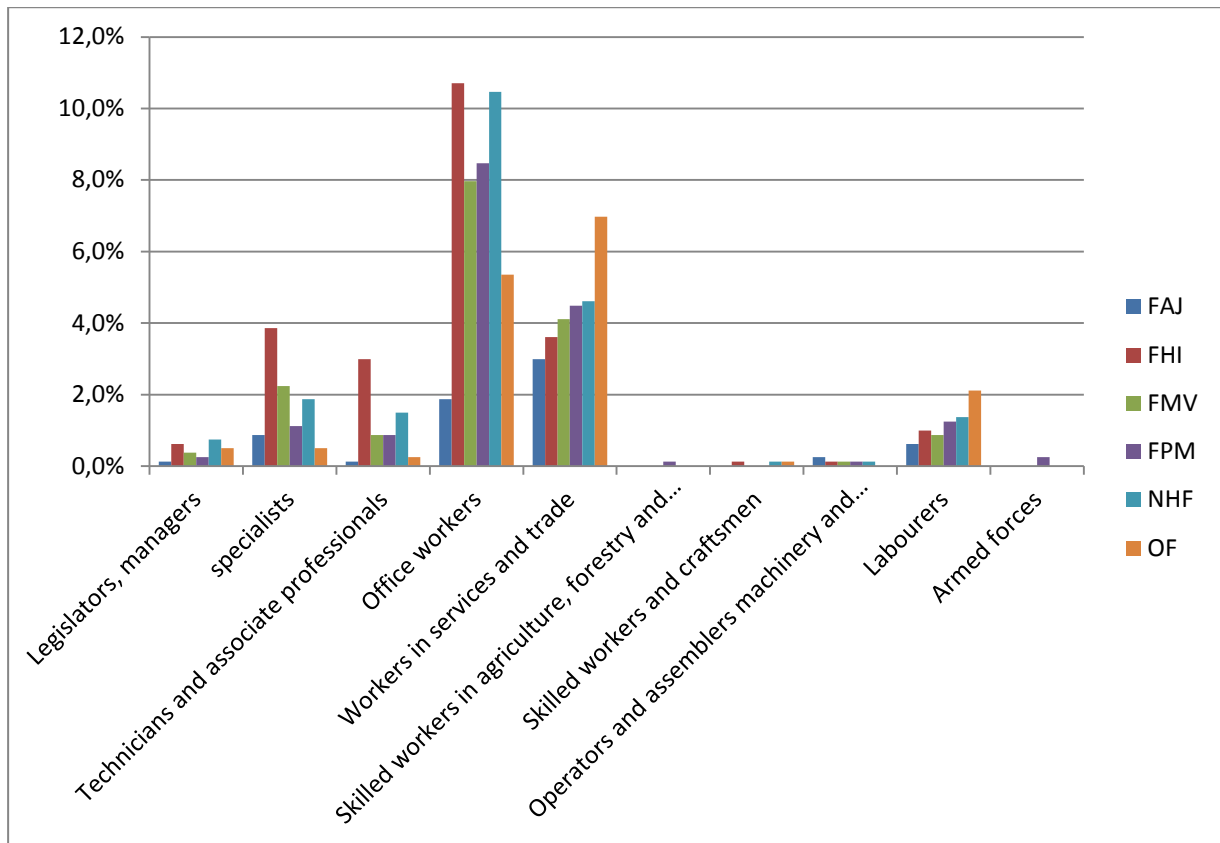


**Graph 5: Hours in which students worked (in 2013)**

Then compared wages between faculties. The best ratings are from the FAJ € 4,1h. Other faculty have identical € 3.5 h. except for the lowest wages € 3.36 h. for OF.

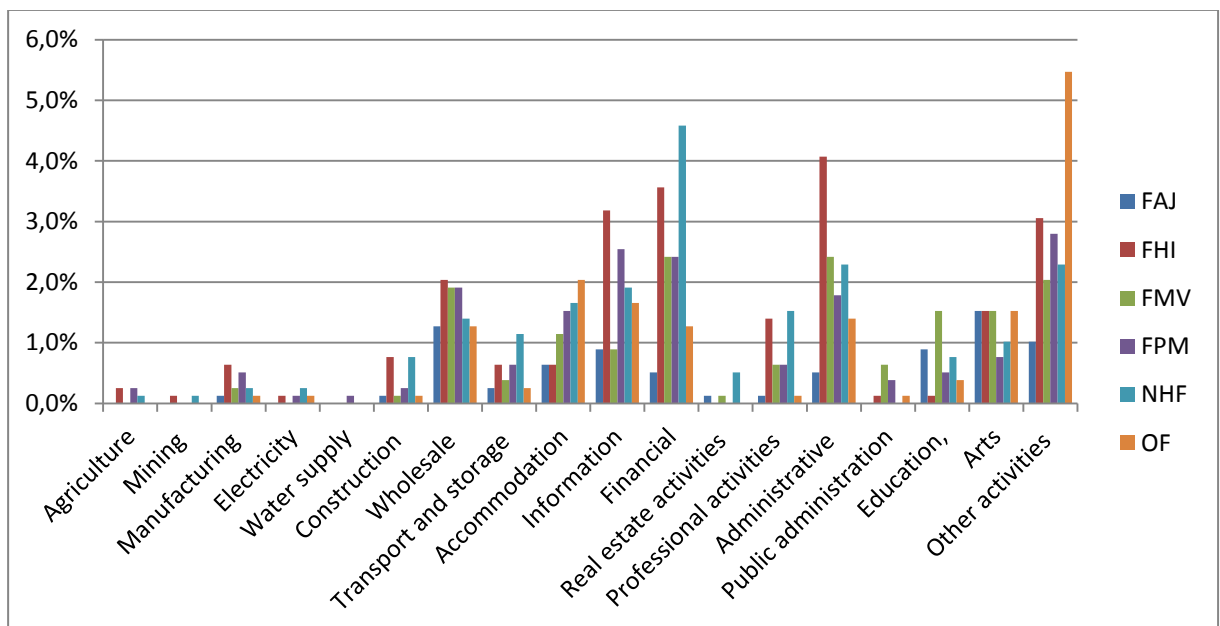


**Graph 6 Median of wage by faculties**



**Graph7: Working positions of students by faculties**

On the chart X comparing occupation (ISCO-08 SK). Most students work in Office workers. The largest representation in this profession have students from FHI and NHF (over 10%). Students of FHI are still well represented in the professions Specialists and Technicians and associate professionals. UEBA students work in large numbers in the profession Workers in service and trade, where expressions representations are students from OF.



**Graph 8 Industries in which students are employed by faculties**

Most representative sectors for students are: Wholesale, Accommodation, Information, Financial, Administrative, Other activities (over 2%). OF has the largest representation in Other activities (5.5%) and 2% is represented in sector Accommodation. Students from NHF most of the work in the financial sector (4.6%). Both with 2.3% still have sector Administrative and Arts. FHI students work frequently in sector Administration (4.1%). Over 2% are still sectors: Financial (3.6%), Other activities (3.1%) Information (3.2%), Wholesale (2%). FPM most represented Other activities (2.8%) and FMV in the Financial and Administrative (both 2.4%). FAJ most represented in the Arts (1.5%). For each faculty, we selected the most representative of employed student. Typical employed student from the faculty:

- In FAJ works 53.3% of the students, they work 45 hours per month, earn 5 € / h., worked as Workers in services and trade sector in Arts.
- In FHI works 64,7% of the students, they work 77 hours per month, earn 3,5 € / h., worked as Office workers sector in Administrative.
- In FMV works 59,6% of the students, they work 50 hours per month, earn 3,5 € / h., worked as Office workers sector in Administrative/Financial.
- In FPM works 55,7% of the students, they work 88 hours per month, earn 3,5 € / h., worked as Office workers in Other activities.
- In NHF works 61,6% of the students, they work 70 hours per month, earn 3,5 € / h., worked as Office workers sector in Financial..
- In OF works 55,6% of the students, they work 60 hours per month, earn 3,4 € / h., worked as Workers in services and trade sector in Other activities.

## 4 Conclusions

In this paper we try to describe specifics of part time working students. We focussed specially on students from University of Economics in Bratislava. The amount of students in the labour market is high, more than a half of the students is working around 70 hours per week. There are some differences in participation of students in the labor market and working hours per month by faculty, but the money paid per hour are almost the same (only difference is Faculty of Applied Languages, where students focused mainly on transshipment activities). Relatively high proportion of students is working in the Finance and Administrative field and as Office workers. Munro (2009) found that students provide flexibility to employers, fill evening and weekend shifts, and will work 'flex up' hours in response to busy periods. For reasons that students of University of Economics in Bratislava work mainly in the afternoon and Friday, we think that students only complement workforce and do not displace domestic workers from the labor market. Similar research is currently being prepared at universities in Košice, Žilina and Banská Bystrica, with which we compare the results of research and we can more clearly define the status of students in the labor market.

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