

Abstract

Overeducation in the Croatian Labor Market

RESEARCH ARTICLE

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Investment in education and training is particularly crucial in today's knowledge-driven economy and it is considered to be a vital element of market competitiveness. In the majority of developed countries, labor markets are characterized by the increase in the educational level of the labor force. However, if the growth in the supply of higher-educated workers outpaces the growth in demand, overeducation of the work force is the likely result. The objective of this paper is to examine the overeducation and its relationship with unemployment in the Croatian labor market. The analysis in this paper is based on the data from the Labor Force Survey for the period from 1998 to 2010. In this period overeducation is persistent and there is a positive relationship between overeducation and unemployment.

Keywords: labor market, overeducation, unemployment, Croatia

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