

Full Length Research Paper

Graduate careers during the post-communist transition in the South Caucasus

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This paper uses a combination of quantitative and qualitative evidences to assess the ways and extent to which, by 2007/2008, higher education graduates in the South Caucasus capitals were, and were not, deriving labour market benefits from their higher education. The quantitative evidence is from representative samples of approximately 200 in the age range 31 - 37 who were living in each of the three capital cities (Baku, Tbilisi and Yerevan) in 2005 - 2007. The qualitative evidence is from 10 follow-up interviews in 2008 with selected higher education graduates from the preceding quantitative surveys. The evidence shows that the benefits of higher education were: much superior chances of having been continuously employed since entering the labour market, being in full-time employment in 2007/2008, and holding a non-manual job. Graduates were also more likely than non-graduates to have jobs in the public sector. However, the earnings of graduate employees were not consistently (across all three cities and among males and females) higher than the earnings of employed non-graduates, there was considerable under-employment among graduates in all three capitals, and graduate females who had married (between 70 and 76% in the three capitals had married by age 30) had nearly all withdrawn from the workforce. The paper explains how family and housing practices in the South Caucasus were requiring female graduates to prioritise marriage rather than employment careers in their life plans. We conclude that while higher education was conferring definite labour market benefits for both males and females, and in all three cities, these benefits varied by gender. Moreover, graduate under-employment had not been eliminated, and looked unlikely to be eliminated despite the strong economic growth that was continuing in all three countries.

Key words: Higher education, labour market careers, South Caucasus, post-communism.

INTRODUCTION

Background

Throughout the 1990s, across the whole of East-central Europe and the former USSR, school and college leavers faced high levels of unemployment and under-employment (jobs where there was insufficient work to keep them fully occupied and/or with very low salaries, casual and part-time jobs, and intermittent unemployment)

(Roberts et al., 2000; Roberts and Jung, 1995). Higher education offered little protection. Adults with higher level qualifications tended to hold on to employment during the post-communist transition, and received above-average salaries (Domanski, 2000), but this was not the case among beginning workers. Normality was preserved in terms of the persistence of a strong relationship between parental social class and the probability of young people progressing through higher education, and then between higher education and the types of occupations (if any) that graduates entered. However, there were high rates

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of unemployment among graduates, and those with jobs derived scanty, if any immediate salary returns on their investments in human capital.

At some point during the 1990s all the transition economies began to recover, and by the turn of the century country-after-country was regaining its pre-1989 level of GDP. The stronger the new market economies have become, the greater the labour market returns that have accrued to higher education (Domanski, 2005; Kogan and Unt, 2005). It is possible, therefore, that the labour market careers of the first generations to enter the post-communist labour markets will be recovering, and that the university leavers who struggled in the 1990s will now be benefiting from their credentials.

Yet there are grounds for suspecting otherwise. One is the expansion of the higher education systems and the increased numbers of graduates who have been seeking commensurate employment. In many transition countries there were remarkable rates of expansion in higher education in the 1990s. This was at a time when there were few jobs for teenage school-leavers, when state universities were opening their doors to anyone with the basic entry qualifications who would pay the fees (universities were struggling with shrunken budgets), and when new private universities were being created. The countries where strong expansion occurred include the Czech Republic (Simonova, 2003), Estonia (Saar, 2005), Lithuania (Vaitkus, 2006) and, as explained below, Armenia and Georgia. However, across the whole of East-Central Europe and the former Soviet Union, the numbers of young people pursuing vocational secondary school and post-secondary courses declined in favour of completing general secondary schooling then proceeding into higher education (Kogan and Unt, 2005). In Ul'ianovsk (Russia) Walker (2007) found many young people treating vocational courses as stepping-stones towards higher education rather than directly into jobs. This has been despite evidence that beginning workers obtain jobs most easily where strong vocational tracks have been maintained, and where all qualifications (academic and vocational) send clear signals that are understood by employers (Kogan and Unt, 2008).

Recent research indicates that competition for jobs remains fierce among university leavers. Round and his colleagues (2008) have shown that in Ukraine employers have been able to oblige recruits, in effect, to pay for their jobs by insisting that they work without salaries for the initial months in post. Some female graduate applicants have been asked for sexual favours. Even then, these researchers report, decent and stable jobs have gone only to graduates with good connections (social capital - usually a close relative who is either an insider in the firm or who can offer a reciprocal favour). Both Clarke (2000) and Yakubovich and Kozina (2000) produce evidence of connections becoming more important in the labour market as the Russian economy has recovered.

There is also evidence of higher education becoming stratified and new elite universities and subjects being

created. Tomusk (2000) claims that the new elite are private universities that specialise in law and business studies. However, there is contrary evidence that in many places the major state universities remain the elite institutions, and that the floods of graduates in law and business studies have now stripped these qualifications of any scarcity value (Roberts et al., 2009).

There is no doubt at all that East Europe's labour markets remain heavily gendered to the disadvantage of women in terms of pay. Trapido (2007) found young female employees in Estonia, Latvia, Kharkiv (Ukraine) and Sverdlovsk (Russia) being paid on average between 52 and 82% of male earnings.

This paper examines the subsequent careers of young people (at the time) who graduated between 1991 and 1997 from universities in Baku, Tbilisi and Yerevan, the capital cities of Azerbaijan, Georgia and Armenia respectively. Since then all three countries have recorded strong and persistent economic growth. Between 1995 and 2006 GDP per capita rose from \$461 to \$1281 in Armenia, \$488 to \$1571 in Azerbaijan, and \$458 to \$1075 in Georgia. However, there are signs that this growth may not have strengthened labour demand. The employment rates for 16 - 59 years olds fell from 65.5 to 50.8% in Armenia, 79.9 to 69.8% in Azerbaijan, and 67.2 to 61.9% in Georgia (data from <http://www.unicef-irc.org/databases/transmonee>, accessed 1 August, 2008). This was despite the total populations declining in Armenia and Georgia (the population increased in size in Azerbaijan). Growth in GDP could have been jobless or even job reducing. On the other hand, declining numbers in the labour markets could have left better prospects for those who have remained, and graduates in the capital cities, approaching prime working life, should have been in the frontline of potential beneficiaries.

MATERIALS AND METHODS

Evidence

In 2005 the Caucasus Research Resource Centres (2005) mounted the second in what has become an annual series of data initiative surveys. These are household surveys, gathering information about all members of the sampled households, and are based on representative samples. The first survey in 2004 was conducted only in the capital cities of the three South Caucasus countries - Yerevan in Armenia, Baku in Azerbaijan, and Tbilisi in Georgia. Then in 2005 comparator regions were added - Kotayk in Armenia, Aran-Mugan in Azerbaijan, and Shida Kartli in Georgia. Subsequently the data initiative surveys have been based on nationally representative samples, but for the research reported here we used the 2005 investigation to identify all household members who had been born between 1970 and 1976, who therefore became age 16 between 1986 and 1992, and whose transitions to adulthood had roughly coincided with their countries' post-communist transitions. Our achieved samples of roughly 200 per region were from the 2005 survey households who were still at the same addresses in 2007, or who had moved locally and could be traced, and who were able and willing to take part. Subject to these qualifications, the samples are representative of all 31 - 37 years old residents in the survey areas from 2005 through to 2007. The fieldwork in each

country was conducted by local teams of researchers, trained and supervised to international sampling and fieldwork protocols by the Caucasus Research Resource Centres (whose baseline funding is from the Eurasia Foundation and the Carnegie Institute).

The interview schedule was fully structured: all questions were closed. The schedule was developed initially in English, using instruments from the British Household Panel Survey as models, then translated into the national languages, piloted and amended. The schedule gathered full information from age 16 about each respondent's career in education, the labour market, family relationships, housing, and a selection of free time activities. Thus we obtained biographical information from everyone at least up to age 30. The research covered non-capital regions also, but here we consider only the findings from the capital cities - Baku, Tbilisi and Yerevan. In each country, the capital cities had higher participation rates in higher education than the non-capital regions, and also far more 'graduate-type' jobs. Thus it was in the capitals that a university qualification was most likely to prove of value in the labour market, but also, due to the high graduation rates in the capitals (especially in Tbilisi and Yerevan), these were also the places where universities seemed most likely to be dispatching graduates into unemployment and under-employment.

During 2008 we conducted 10 follow-up interviews with selected cases, drawn from the main surveys, with higher education graduates in the capital cities. The cases followed up were meant to represent the range of biographies and current circumstances among graduates that were evident in the preceding surveys. The cases are in no sense representative samples either overall or of graduates in the particular cities where specific interviewees were based. In each city we interviewed equal numbers of males and females. The basic format of the interviews was to start in 1991, the year when the countries had become independent, and to invite the interviewees to explain how their lives had developed since then. These in-depth, follow-up interviews were conducted by cross-national pairs of interviewers, one English speaking, who asked the questions, and the other a local researcher who spoke the national language and English also, and who was able to translate, interpret, and clear up misunderstandings. Cross-national pairs of interviewers can be extremely effective. Respondents can be asked to explain matters which a local fieldworker would be expected to understand without asking. Whilst not claiming statistical representativeness, we believe that the 10 case studies represent the main kinds of biographies, and the main contrasts that could be found within and between the capital cities in the three South Caucasus countries.

The findings from the quantitative surveys on the samples' labour market careers have been fully reported elsewhere (Roberts et al., 2008). The relevant quantitative findings are briefly summarised below, but here we use mainly evidence from the follow-up qualitative interviews to elucidate the processes that were responsible for some of the quantifiable findings. Strictly speaking, the respondents on whom we focus throughout this paper are not samples of all graduates in the capitals in the early- and mid-1990s. They are samples of graduates who were living in the capitals in 2005 and still in 2007/2008. We have no information about graduates from the capital cities who had departed, permanently or temporarily, and a few of the graduate respondents in the quantitative survey had acquired their qualifications elsewhere before moving to the capitals, though we did not include any of these in our follow-up interviews. However, our analysis is specifically about trends since the early- and mid-1990s in the labour market opportunities for, and careers of, higher education graduates in the three capital cities, rather than the experiences of graduates (and other young people) who had exited and settled elsewhere.

We proceed by introducing the cities, then presenting some findings from the quantitative survey that outline how higher education graduates were benefitting, or not benefitting, from their qualifications. We shall see that all this depended partly on which

capital, and whether they were male or female. We then present case studies from our follow-up interviews which enable us to identify the processes that were creating the macro-quantitative picture.

FINDINGS

The cities and their labour markets

The most important feature that Baku, Tbilisi and Yerevan share in common with implications for labour market careers is that they are all capitals of small countries. Each is the only major city in its country. The capitals have most of the best jobs that the countries can offer. They are the centres of government and public administration. They are the main centres of commerce where banks and other financial institutions have their national headquarters. They also have the local headquarters of foreign companies that do business in the countries. Foreign government delegations and NGOs also base themselves in the capitals. Each capital is its country's main port of entry for international visitors, including tourists. The capitals have the countries' main universities and cultural facilities - concert halls, galleries, museums, theatres etc. They have the largest shopping centres and the most lively night-time economies. All the cities have been transformed since the mid-1990s. Tbilisi and Yerevan were then dark, barely lit at night. Now, like Baku, they are ablaze and full of people every evening and into the early morning.

A potentially significant difference is that Azerbaijan is historically mainly Muslim while Armenia and Georgia are Christian. Very few respondents in our quantitative surveys could be described as highly religious, except possibly in Georgia. In Baku and Yerevan just 5 and 9% respectively were attending a religious service at least once a month. In contrast, in Tbilisi it was 50%, which may have had as much to do with Georgian patriotism (the main church is Georgian Orthodox) as religious devotion. However, there could be cultural legacies from each country's historical faith that operate independently of whether people today are worshippers or even believers. Another potentially highly significant difference is Azerbaijan's oil and gas industries. Georgia and Armenia have no equivalent exports. Azerbaijan's natural resources have made a difference in Baku, and elsewhere in the country, but we found that the effects on labour markets and young adults' careers were not always as expected or even visible.

At the time of our quantitative surveys in 2007, 50% of all respondents (graduates and on-graduates) in Yerevan, and 45% in Tbilisi were in full-time jobs compared with just 27% in Baku. Oil and gas were not boosting employment among Baku's 31 - 37 years old ahead of the rates in Yerevan and Tbilisi. Fewer in Baku described themselves as unemployed (8% compared with 18% in Tbilisi and 23% in Yerevan). It appeared to be more acceptable in Baku than in the other two cities

for members of the age group to regard themselves, and presumably to be regarded by others, as outside the labour market. Far more respondents in Baku (virtually all of them women) than in Tbilisi and Yerevan defined themselves as family carers (housewives). They amounted to 37% of the entire Baku sample. It was only in Baku that anyone self-defined as long-term sick or disabled, or as retired. In Baku 8% of the respondents said that they were doing 'something else'. Some of this group reported significant incomes. 'Something else' usually meant that they were earning unofficially, maybe continuously as if in full-time employment, and in other cases irregularly. Their equivalents in Tbilisi and Yerevan were most likely to define themselves as unemployed, and engaging in unofficial work only because of their inability to obtain proper jobs. These general, culture-based differences between Baku and the other cities must be borne in mind throughout the account of the careers of the graduates that follows.

We found substantial differences between the cities in the proportions of the 31 - 37 years old who were higher education graduates. The proportions were higher among women than among men in Tbilisi and Yerevan, but not in Baku (maybe another Muslim legacy). Both Yerevan and Tbilisi had very well-educated young adult workforces. Among the female 31 - 37 years old, 58% in Yerevan and 62% in Tbilisi were higher education graduates. It was 49% of the males in Tbilisi and 35% in Yerevan. In Baku the graduates amounted to 28 and 27% of the male and female respondents, respectively. All three countries had embraced the idea that they were in the age of 'the knowledge economy' in which countries and individuals who invested in human capital would surely prosper.

Higher education was improving males' and females' labour market prospects in all three capitals, though in different ways in the different places, and for males and females. In all three cities graduate males were more likely than non-graduates to have been mainly employed since leaving full-time education, and to hold full-time jobs at the time of the quantitative survey. However, the proportions of graduate males in full-time jobs were well beneath 100%: 61% in Baku, 70% in Tbilisi, and 80% in Yerevan. Azerbaijan's oil and gas revenues were not boosting the employment rate among Baku's graduate (or non-graduate) males. Graduate males were more likely than non-graduates to hold public sector jobs, but employment in the public sector exceeded employment in the private sector only among male graduates in Baku. This was the capital city with the lowest rate of university education within the age group. However, it appeared that the 'excess' numbers of graduates were being channelled into the private sectors. Graduate males were more likely than non-graduates to hold non-manual jobs. In all three cities the majority of the jobs held by graduate males at the time of the survey were non-manual. However, it was only in Tbilisi that graduate males typically reported earning more than non-graduate males.

The graduates were more likely to have full-time jobs, but not usually better paid jobs than their non-graduate counterparts in Baku and Yerevan.

For young women, higher education was having similar, but not exactly the same consequences as for men. Graduate females were more likely than non-graduates to hold full-time jobs at the time of our survey, and to have been mainly employed since leaving full-time education. However, only a minority of the graduate females were in full-time jobs when surveyed (48% in Tbilisi and Yerevan, and 27% in Baku). Graduate females' jobs were more likely than the jobs held by other females to be in the public sector. The dominant position of public sector employment among graduates was greatest in Baku (as among males). Baku was the city where higher education was least likely to be channelling highly educated labour into private sector jobs. Majorities among the employed graduate and non-graduate females in all three cities held non-manual jobs of some description. University education was typically channelling young women into public sector professions, in education and health care, for example. University graduation was leading to higher reported earnings for females in Baku and Tbilisi, but not in Yerevan.

In each city, progression through higher education was related to parental social class, so the question arises as to whether the apparent benefits of higher education were really due to higher education itself, or to the higher class 'connections' and cultural capital of the graduates. Tables 1a, 1b and 1c demonstrate that higher education was making a difference whatever the graduates' social class backgrounds. These were measured by awarding up to four points according to whether each respondent's mother and father were higher education graduates, and whether their normal occupations were or had been management or professional. The resultant 0 - 4 point scale was then collapsed into lower, intermediate and higher social class groups. This scale is simply an indicator: we do not claim that the groups are real social classes (Roberts and Pollock, 2009). With social class backgrounds controlled, higher education had increased respondents' likelihood of being mainly employed since leaving full-time education, occupying a non-manual job, and being employed in the public sector. Family class was also making a difference to the labour market careers of both graduates and non-graduates, but here we concentrate on the effects of higher education.

Graduate women

It became crystal clear in the follow-up interviews - it had not been fully apparent in our quantitative evidence - that the lives of the young women when they finished university had been governed not by their status as graduates but rather by the fact that they were women, and a woman's primary roles, her destiny in the South

Table 1a. Capital cities: Career groups (in percentages).

	Non-graduates, lower class	Non-graduates, intermediate class	Non-graduates, higher class	Graduates, lower class	Graduates, intermediate class	Graduates, higher class
Non-manual employment	11	33	29	40	47	59
Other employment	20	14	4	13	16	9
Self-employment	14	12	22	8	2	5
Unemployment	24	23	24	25	19	16
Inactive	22	9	13	10	10	7
Other	9	8	7	4	6	4
N =	144	132	45	48	96	114

Table 1b. Positions at time of survey (in percentages).

	Non-graduates, lower class	Non-graduates, intermediate class	Non-graduates, higher class	Graduates, lower class	Graduates, intermediate class	Graduates, higher class
Education	-	1	-	-	-	-
Full-time employment	27	31	36	46	48	61
Part-time employment	4	3	2	7	10	5
Self-employment	13	18	18	4	6	5
Unemployment	22	12	25	13	14	15
Inactive	28	30	16	30	30	15
Other	5	4	2	-	2	-
N +	144	132	45	48	96	114

Table 1c. Types of occupations: those with jobs at time of survey (in percentages).

	Non-graduates, lower class	Non-graduates, intermediate class	Non-graduates, higher class	Graduates, lower class	Graduates, intermediate class	Graduates, higher class
Management	3	11	4	11	13	12
Professional	8	10	23	37	7	34
Clerical	21	31	35	33	44	48
Farm	-	-	-	-	2	-
Other manual	58	32	27	15	10	5
Petty trading	8	17	12	4	5	1
Percentages of all jobs in private sector	77	60	69	52	46	50
N +	65	72	26	27	63	77

Caucasus, were as wife and mother. There was no other acceptable adulthood except for a woman to remain a spinster living with her own family. The new market economies, and the countries' insertion into the global market economy and exposure to Western culture, had not eroded any of this.

Most of the graduate women in our main survey, and in the follow-up interviews, had married either before or soon after they graduated. It was presumed, and it was

usually the case, that parenthood would follow quickly. So rather than transitions from education to employment, the women had typically made transitions from student to wife and mother. The normal practice in all three cities (as well as in the countryside) was for the woman to join and live with her husband's family (Pollock et al., 2009). There she would assist with, and very likely be expected to do most of the housework. Sometimes immediately, and certainly in the long term, she would be expected to

become the main carer of her husband's parents. Women who wished to remain in the capital cities (as we suspect they all did) needed to marry men with homes in the capitals. Unless they married local men, young women who had come to the capitals from the countryside to study at university had no alternative but to return to their original homes. There was little chance that women would obtain jobs with salaries that would allow them to live singly. In any case, in the South Caucasus this would have been considered improper. All the women who we interviewed had interrupted their labour market careers (if they had started such careers) immediately when they married, usually for several years, maybe for ever, except in one case where the wife had been obliged to earn on account of her husband's ill health and chronic unemployment.

Staying single, just like graduating from university, did not enable women to escape from the female role. Single women were expected to remain with their parents, possibly for ever. In time they would most likely become their parents' financial supporters and carers. If they had brothers, a single woman would most likely co-reside with these brothers and their families, and the brothers would eventually inherit the property.

Lilit in Yerevan, a 35 years old medical doctor, had remained unmarried. At 35 she took it for granted that she would never marry. She had worked continuously since qualifying, first at state clinics, and at the time of our interview she also had a second job at a private clinic which she considered better, not just on account of the pay, but also in terms of the working conditions and standard of health care. Lilit did not expect her life to change except that as her parents aged she would become responsible for their care. She could not leave them.

All the other women interviewees were married, and their standards of living depended on who they had married rather than their own qualifications. Anna had been born in 1976 and had grown up in an educated Yerevan family. It had always been assumed that Anna would go to university, which she did, graduating from the Economic University of Armenia in 1998. She married immediately, started her own family, and lived in her husband's family home with his parents and male siblings. In 2000 Anna's husband had won a scholarship to study for a PhD in the USA, and Anna and their two children had accompanied him. This experience had changed Anna's outlook on life. She had worked in a department store, learnt to speak English fluently, and apart from this,

'The USA was a key experience. I learnt about a different country and a different way of living. Now I would like to leave Armenia permanently. Even if you are an Armenian citizen you do not feel really secure here. When you go abroad you lose your network. On returning you have to start again from scratch.'

When Anna and her husband returned to Armenia from the USA in 2003, Anna had enrolled at the American University in Armenia and gained an MBA. Then, in 2005, she had obtained her first professional job with a consulting firm in Yerevan. She had since taken a second job as lecturer in marketing at the State Agrarian University. Anna's career was progressing and she was pleased about this, but her career was about to be interrupted because her husband had been offered a post in Bishkek (Kyrgystan) and Anna and the children (three by 2008) were to go with him. Anna felt that she had achieved 'enough for an Armenian woman', but she was not happy about her situation.

Iraqda in Baku was also from a well-educated city family, had graduated from the University of Economics in 1995, aged 21, had married immediately and had a child, all just like Anna in Yerevan. Iraqda had never used her economics degree. 'The main target at university is graduation. The subject does not matter.' Iraqda's life had worked out just as she had always planned. She would have sought a job if she had not married at the time of graduating, but she had married, which took precedence, so she had become a housewife. Her husband had a well-paid salaried job and his income, plus assistance from his family, had enabled them to buy their own flat. He had also recently (in 2008) bought a beauty salon in which Iraqda was officially the manager of seven employees. Iraqda described her family as middle class, was entirely satisfied with her life, and said that her main hope for the future was that their son (they still had just one child) should be happy.

Tbilisi had equivalents of Anna and Iraqda - girls from good families, who had moved on to university, then good marriages, that is, into families that could provide good accommodation, and husbands with decent jobs. Maggie and Ketii, the two female graduates who we interviewed in Tbilisi, had different life stories, first, because in each case they had been born and raised outside Tbilisi. Maggie was born in 1975, in Abkhazia, and had become a refugee (officially, in Georgia, an internally displaced person) between leaving secondary school and starting at university. She then started at the University of Sokhumi (the part of the university that had relocated to Tbilisi). Maggie had graduated in economics in 1997 and had managed to obtain a good job with a French company, but she also needed to marry, and to marry a Tbilisi man in order to have a family and to continue to live in the city.

'Life as a refugee was one of great hardship and no hope. In order to escape from that life I needed to marry.'

In 2001 Maggie had married a medical doctor (a status occupation, but not particularly well paid). Prior to becoming a mother, Maggie had quit her job to become a full-time housewife. Since marrying she had lived with her husband in a house owned by his parents, who spent

most of the time in their original home village. The Tbilisi house was tiny: just one combined living and bedroom for the couple and their two children (by 2008). The house had been bought, but it was not registered with the city authorities, so there was some uncertainty about whether it was really owned by the family, and whether they would receive compensation if their district in Tbilisi was redeveloped. When starting university Maggie had hoped to travel, then to obtain a good job in Georgia. In 2008 she felt that none of her hopes had been fulfilled.

There were equivalents of Maggie in Baku and Yerevan: refugees from Nagorno Karabakh and the surrounding occupied territories, and from Azerbaijan respectively.

Keti, the second female graduate in Tbilisi who we interviewed, was a medical doctor, working for child welfare NGO in Tbilisi in 2008, which was exceptional because she was by then married with three children. Keti had grown up in western Georgia, and had moved to Tbilisi to study at university. Like Maggie, she had needed to marry a man from Tbilisi in order to remain in the city. Before marrying, Keti claimed not to have realised that both her husband's parents had chronic illnesses, and that she would be expected to care for them. Only the invalid mother was still alive in 2008. Keti's husband and his brother had become the joint owners of the flat where Keti, her husband and their three children lived with the mother. The brother was living elsewhere, but the plan was that when the mother died the flat would be sold and the proceeds divided between the brothers. Keti was worried that their share would be insufficient to buy another flat. Keti's husband, like his parents, had not been in good health. He had needed four operations since their marriage and had never held a proper job. The family at one point had been in such a desperate financial position that Keti had left their children with her own parents in the countryside while she spent a year working in Germany as a doctor in the care system for the elderly. Keti's earnings in Germany had enabled the family to pay off their debts. She described her family's life in 2008 as very hard. She feared for the future if her husband remained without a regular job (he had earned money occasionally painting churches and doing other odd jobs), and Keti was also worried that they might lose their home. Keti was unusual in Tbilisi, and would have been unusual in any of the three capitals, in taking on the role of main earner in addition to being the main carer in her household.

Male graduates

Men were graduating into different life situations to their female counterparts. Men were under less pressure to marry, though there was a social expectation that they would do so at some time. At the same time, for men marriage was not a possible route to a decent standard of

living and housing. Everything depended on their own earning power and the resources of their own families. If they were from outside the capital cities, males needed jobs that would not only make them self-sufficient but enable them to house and support families if they were to marry (and all our male interviewees were married). Our quantitative survey showed that most male graduates had been continuously employed in decently paid jobs, but others had struggled, and some had become long-term unemployed.

Aharon from Yerevan was by far the most successful of our male interviewees in terms of career achievements. He had been born in 1972, attended a specialist secondary school (in maths and physics), and had then studied engineering at university. In 1992 and 1993 he served in the army. This was during the war with Azerbaijan, but Aharon was on logistics, not in the front line. Then after two years out-of-work he had gone to Moscow and obtained a job in production management at a factory that manufactured alcohol products. He returned to Yerevan in 1998 primarily because he had married in 1997 and the couple's first child was expected. Then Aharon struck lucky. He was appointed to a sales job in a German company which ever since then had increased its turnover in Armenia by at least 40% each year. Aharon had an excellent salary, which had enabled him to buy two flats in Yerevan which were rented out and provided an additional stream of income. Aharon, his wife and two children (by 2008) were still living with Aharon's parents, and planned to do so throughout his parents' lives. Aharon placed himself in Armenia's middle class and was very optimistic about the country's prospects.

'People here enjoy better lives than in Georgia or Azerbaijan. How different it was in 1991. Life was hard then. You could not buy bread without queuing.'

Other graduates in Yerevan had not shared Aharon's exceptional fortune. Artak had been born in 1975 and graduated in economics in 1997. His father and brother had both served in the army and did not recommend the experience. The family had paid (unofficially) so that Artak could avoid army service. Artak had hoped to work as an economist, but the only proper job that he was offered was at the Ministry of Justice. He had taken this job, but realised that career progress would depend on him obtaining a legal qualification. Artak had done this by 2000 through a distance learning course with a private university.

He married in 1998 and by 2008 the couple had two children. They were all living with Artak's parents. Artak felt that he had not yet been successful but that his career had not come to an end. He described his family as middle class and considered that he was doing as well as most male graduates of the same age: true according to our quantitative evidence.

The two male graduates, who were interviewed in Tbilisi, like the two female graduates in that city, had both been born elsewhere in Georgia. Mamuko was from Kakheti, and had moved to Tbilisi in 1993 to study finance and banking at university.

'Life as a student was anything but smooth. There was no lighting, no food, no public transport, long queues to buy anything, cancelled and delayed lectures. I survived only through receiving regular supplies of food from the countryside' (one advantage at that time of being from outside Tbilisi).

Mamuko had hoped to obtain a job in finance or banking, but he was unsuccessful. He had been appointed to a post in the Economics Ministry (a similar starting job to Artak's in Yerevan). Mamuko had hoped to be married by age 25. In the event he married when aged 30 into a family that would accommodate the couple. By 2008 they had two children. Mamuko was keen to buy a flat but realised that this would be difficult because prices in Tbilisi had spiralled way ahead of salaries. His career had suffered a setback in 2006 – an after-shock from Georgia's Rose Revolution in 2003. Mamuko had been transferred to a lower position in his ministry so that the new regime's people could be brought in. Nevertheless, he felt that he had a stable career and enough money to live decently, but he realised that he would need a lot more money if they were to have their own flat, and also to pay for the higher education of their two sons.

Sergo, age 34, was also from Kakheti but had moved to Tbilisi with his family before starting at university. He had graduated in economics, then remained unemployed for six years except for a part-time post as a rugby instructor. Sergo had married around the time when he graduated. They had two sons by 2008 and were living in the home of Sergo's parents.

'Of course, we would prefer to have a home of our own.'

In 2002 Sergo had been employed by a business that distributed Bojormi water, but before long he had been 'pushed out'. He had not worked again until 2007. Sergo was scathing about conditions in Georgia.

'Life was better in Soviet times. We lived better. We could travel around the USSR. Education was very good and free. Now education is not serious. It's all like in a kindergarten (an observation on the schooling of his two sons, then aged 7 and 12). When I was at university I expected to become employed as an economist. I thought that young people would be able to obtain jobs, as the government promised. I did not expect to be rich, but to be able to lead a decent life.'

Sergo felt inadequate in that he was failing to support his

family properly. In desperation, since 2007 he had been operating a taxi with a rented car.

'I would like a loan to purchase a car. The government should guarantee loans for poor people. They only help people in their own client network. I would have to offer the house as security and I can not offer my parents' home.'

Sergo was bitter about the situation in Georgia, and about how his own life had developed.

If Aharon in Yerevan was our most successful male interviewee in terms of labour market achievements, Faik in Baku was easily the most political. He was from the Azerbaijan countryside, had been a star pupil at school, and had been able to study political science at university in Baku, graduating in 1997. He had married in the same year, but the couple had remained childless until 2008. Faik reported having held a variety of jobs: none appeared very rewarding financially - journalist, housing agency, recruitment agency - but the key to his life was that he had worked continuously for a political party (the party that supported Azerbaijan's president) and had become a member of Azerbaijan's national election committee. He had been able to obtain a loan to purchase a flat, and hoped some time in the future to be able to move into a big house in Baku. Despite all this, Faik said that there were just two classes in Azerbaijan, rich and poor, and that his family was still in the poor class.

'In 1991 I was worried about the break-up of the Soviet Union. I thought of myself as a Soviet citizen rather than as an Azeri. Then I realised that Russia was not Azerbaijan's friend. There was the massacre that Gorbachev ordered in Baku in 1990, and the Russians were then supporting the Armenians in Nagorno Karabakh. As a child my life was well organised and I had clear job prospects. By 1991 all these had gone. However, I am satisfied with the way in which Azerbaijan is now changing. My boyhood dream was actually to become a professional footballer, and this has really been my biggest disappointment.'

DISCUSSION AND CONCLUSIONS

We conclude, first, that by 2007 the graduates of the early- and mid-1990s in the South Caucasus capitals were deriving labour market benefits from their higher education. Whether those in employment were earning more than non-graduate employees depended on place and gender, but in most sub-groups higher earnings were not among the benefits. The graduates' main advantage was that by 2007 they were by far the more likely to have been continuously employed since entering the labour market. This applied among males and (single) females, and in all three capitals. The majority of non-graduates,

males and females, again in all three cities, were not in full-time employment in 2007. Job opportunities in the capital cities for young adults without higher education were clearly very limited. This, rather than glittering rewards assured for graduates, would have driven the expansion of higher education, where this had occurred (mainly in Tbilisi and Yerevan). Some non-graduate males had manual jobs in 2007, while others were trying to make livings by buying and selling, and doing other kinds of business. Otherwise they were jobless, and many had been jobless since leaving full-time education. If non-graduate females did not obtain non-manual jobs (and their chances of doing so were far inferior to those of graduate women), it was unlikely that they would obtain any employment. A clear benefit, in fact the clearest benefit, of attending university was avoiding the non-graduate labour market.

Most male graduates had established themselves in non-manual occupations. They were more likely than non-graduates to be employed in the public sector, though except in Baku there were more graduate males in private than in public sector employment in 2007. Higher education was most likely to be enabling young women to enter public sector professions. The attractions of these occupations are likely to have included the availability of maternity leave, and work regimes that were compatible with motherhood. Despite the growth of the market economies in all three countries, and especially in the capital cities, the public sector was clearly most graduates' preferred destination.

All that said, first, many graduates, including most female graduates, were unemployed or had withdrawn from the labour market in 2007. Others were evidently under-employed (relative to their qualifications) in lower-level office jobs, and there was simply insufficient room higher up to enable them all to advance. Even in Baku where less than a third of the age group were graduates, there were still excess numbers of graduates relative to the number of management and professional-grade jobs. This was despite Azerbaijan's oil and gas revenues which had been responsible for stronger economic growth since the mid-1990s than in Armenia or Georgia. Growth in Azerbaijan had not fed through into a sufficient number of higher-level jobs to absorb all Baku's graduates. In 2007 there were substantial 'reserve armies' of graduates in all three capitals. Demand for university-educated employees was not sufficiently strong to boost pay and other terms and conditions of employment to the levels that would have persuaded most married female graduates into the workforce. Moreover, the chances of graduates (and non-graduates) being in employment in 2007 were no greater than at the time when the young adults had first entered the labour markets. Those who had been relatively successful had established themselves in the better jobs soon after graduating. Those who failed to do so in the early stages of their labour market careers had continued to struggle.

Economic growth since the mid-1990s had not reduced the numbers who were unemployed and under-employed among the cohort that we studied.

Second, for young women higher education was proving a reasonably reliable route to decent jobs – typically in public sector professions – if the women needed jobs, which usually applied only until they married, but had a longer-term significance if they never married, as in the case of Lilit, the medical doctor in Yerevan who at age 35 assumed that she would remain a spinster indefinitely. In practice, however, most women graduates had married soon after they completed their university courses, and for these young women the primary value of higher education had been as a marriage market – a relatively privileged marriage market where they inter-mingled with males who were generally privileged in terms of family backgrounds and career prospects.

Third, the expansion of higher education, where this had occurred (mainly in Armenia and Georgia) had very clearly not been driven by private sector businesses' labour requirements. First and foremost, as stated above, higher education was feeding graduates into public sector jobs. The public sectors in all three cities were absorbing substantial numbers of graduates. It appears, from our evidence, that by 2007 all grades of non-manual employment in the public sectors had been graduated, and very few young adults had been able to obtain manual-grade public sector jobs. The public sectors were not finding it difficult to recruit graduates. All our interviewees who had obtained public sector posts considered themselves fortunate to have done so. The public sector was where graduates were most likely to obtain 'professional' employment that is, work that corresponded with their specialities, the subjects that they had studied in higher education. The public sectors offered the most secure, the most stable jobs in the capitals, and visible upward career paths. Overall, public sector earnings were not inferior to private sector earnings. A difference was that the private sector had more part-time, casual, low paid jobs. Official public sector salaries could often be supplemented by various kinds of private enterprise (sometimes regarded as bribery and corruption). Graduates in public sector jobs appeared satisfied even if they were earning no more than non-graduates. Security of employment and income was probably considered sufficient reward for their qualifications. Neither graduates nor non-graduates needed to achieve high earnings if, as was usually the case, they were not faced with the expense of new household formation. Young adults could feel content with their achievements if they could live comfortably in family homes, secure in the knowledge that in time the homes would be their own. We find it noteworthy, though inexplicable purely from our own evidence, that even in Baku the quantity of money in circulation that was being generated by Azerbaijan's oil and gas industries was not creating more graduate-type jobs than were available in

Tbilisi and Yerevan.

Finally, there is the tricky question of why some graduates were ending-up in the best jobs, and why others (including some males and unmarried females) had never established themselves in continuous employment. The assets associated with different kinds of family background had clearly played a part. This is evident in Tables 1a, 1b and 1c. These assets included social capital (connections). The Tbilisi interviewees who had moved into the capitals from elsewhere in Georgia illustrate the disadvantages of lacking local connections. Anna in Yerevan had experienced the handicap of losing connections during a spell spent outside her own country. That said, social capital could be built, as had been accomplished by Faik who had relocated to Baku to attend university from elsewhere in Azerbaijan, then developed connections through his political work.

Previous research in the ex-USSR has shown that connections are used to a good effect at all levels in the occupational structure (Roberts et al., 2009). Farm work is almost always obtained through families. Young people are typically assisted into petty trading by friends with know-how (Roberts et al., 1998). These features are prevalent in, but are not peculiar to post-Soviet labour markets. In all labour markets people are most likely to learn about vacancies through informal channels, and those who are able to do so take advantage of 'old boy networks'. Equally, and again everywhere, there can be a difference about how people first hear about vacancies, and the reasons why they are appointed, if they obtain the jobs (Roberts et al., 2009). Also, we need to bear in mind that employers can genuinely find it difficult to judge applicants' suitability. In ex-Soviet countries the significance of higher education qualifications has become unclear, especially in places where there has been a steep expansion in the number of graduates, and in the number of universities. In such circumstances a personal recommendation from someone who is known and trusted is likely to be welcomed.

Moreover, in circumstances where the number of capable young people far exceeds the number of jobs requiring their capabilities, much can depend on pure luck – being in the right place at the right time (Roberts et al., 2002). Aharon in Yerevan, our most successful interviewee in purely financial terms, had returned to Armenia from Moscow at the time when a German company had started operations in Armenia and was looking for local staff. Aharon had needed to be told that the job was available, and recommended, but he also had the educational background and the kind of work experience that were being sought. Crucially, he was available at the right time. Thereafter, fortunately for Aharon, the firm had thrived in Armenia. Individuals such as Aharon who 'get on' will freely acknowledge the assistance that they have received from families and friends, and the importance of luck, though they invariably stress their own abilities, efforts and initiative. That said, the

main conclusion from our evidence and analysis had to be that economic growth in the South Caucasus up to 2007 had patently failed to increase employment opportunities so as even to reduce the volumes of unemployment, under-employment and economic inactivity that spread in the 1990s. This was the context in which higher education had expanded. Universities had served as temporary labour market shelters. They had also acted as marriage markets, which was especially important for the females. Graduating had been essential in order to enter the pools of young adults who were able to compete seriously for the cities' better jobs, but the inadequate number of such jobs meant that many of the young people's, and much of the countries' investments in human capital, were not yielding labour market returns.

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