

Education offers various benefits to the individuals and society. The value of education becomes apparent in terms of improving standards of living by increasing income and reducing risks of unemployment; by broadening horizons, bridging the gaps in more and more open societies; improving social awareness and strengthening democratic values. Many of those effects rely however on matching efficiency of the labour market – the extent to which individuals are matched to jobs they perform. In modern economy this process is highly decentralized and may lead to sub-optimal allocation of human resources due to information barriers, low worker mobility, liquidity constraints or housing market limitations but also due to inefficiency of education system and unpredictable variations of demand for labour, which changes with accelerating technological progress and international competition between developing economies.

The main research objective of the project is to quantify the extent of educational and skill mismatch for graduates in Polish economy. The research within the project will concentrate on five building blocks. First – the incidence of mismatch across different education levels, study fields, and occupations. Second – the links between the educational process and mismatch incidence. Third – the wage effects of educational and skill mismatches. Fourth – the issue of mismatch persistence. Fifth – a study of educational and skill mismatch in terms of individual preferences.

The analysis of educational and skill mismatch on the labour market is very important topic for Polish economy. We are now facing an e-revolution (a digital economy) which is changing everything we know about the labour market performance. In near future the occupational structure of employment and skill requirements of jobs can dramatically change. Ability to stand to the international competition and our position in the global value chains will depend on how efficiently can we use our greatest asset – the human capital. The extent to which the human capital can perform and be utilized depends on the matching efficiency of the labour market. This specific black box is a complicated system of relations between schooling system, teaching methods, organization of study programmes, connection between the world of academia and industry, public spending on education and labour counselling, unpredictable changes in labour demand, employers' expectations and individual ability to adapt to changes, mobility and lifelong learning. Although a lot of research has been devoted to this issue in the international literature, our knowledge for Poland is still limited. Especially, the links between the process of education and the mismatch incidence have been weakly documented. Only one study so far also attempted to undertake the issue of mismatch persistence. Valuation of individual preferences towards matched and mismatched jobs presents the greatest intellectual challenge as this kind of study has not yet been undertaken in the international literature and adds the greatest value to existing knowledge in the field.