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THE BOLOGNA PROCESS IN PORTUGAL AND POLAND: A COMPARATIVE STUDY

Eduardo Tomé[1], Katarzyna Susabowska[2]

[1] ***Universidade Europeia - GOVCOPP Research Center Universidade de Aveiro*** - eduardo.tome@clix.pt
[2] ***University of Economics in Katowice*** - katarzyna.susabowska@ue.katowice.pl

ABSTRACT

We analyze the consequences of the introduction of the EU directed Bologna Process in Portuguese and Polish Universities. Specifically, we study how the Bologna Process has impacted in the employment situations of graduates in Portugal and Poland. Concerning methodology, we use available official data on the implementation of the Bologna Process in Poland and Portugal.

KEYWORDS
Higher Education, Bologna Process, Portugal, Poland, Assessment.

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INTRODUÇÃO

In the last four decades Portugal and Poland have faced massive economic change. Portugal went, in 29 years (1973-2002), from a colonial empire to a region of the Eurozone; and afterwards the country has been forced to exist in an Economic and Monetary Union (EMU). The Portuguese survival within the Eurozone has been very difficult. Massive difficulties with external payments led to a "Troika agreement" in 2011 which, in fact, resulted in a stabilization IMF like program between 2011 and 2014. For 2015 the prospects are of slow growth (forecast of 1.2%) and very high unemployment levels (currently at 14% of the labor force), massive emigration (around 100 000 people between 2011 and 2014) in a scenery without inflation (prices have actually fallen in the last year). Poland was a member of the socialist block until 1989. And after the political revolution the country took 15 years 1989-2004) transforming itself from a member of the COMECON, into a member of the European Union. In the last decade Poland has converged with the EU average and became a preferential destination for investment in the EU. Poland has yet to join the Eurozone, therefore is still has to face the biggest challenge within the process of European Integration.

In the larger context of globalization both countries have yet to complete their development process. Table 1 shows the basic socio-economic data for the two countries:

Table 1- Basic Socio-economic data (2013)

	Poland	***Portugal***
Area (1)	*313 000 km2*	*92000 km2*
Population (1)	*38.2 mm inhab.*	*10.6 mm inhab.*
GDP per head PPP (3)	*21 118 – rank 49*	*23 047 – rank 45*
GDP total PPP (3)	*814 000 billions (2014)*	*245 600 billions (2013)*
HDI (1)	*0.821 – rank 39*	*0.816 – rank 43*
KEI (2)	*7.41 – rank 38 (2012)*	*7.61 - rank 34 (2012)*

Fonte: UNDP (2014), World Bank (2012) World Bank (2014)

Portugal is much smaller in size (measured by area or population) than Poland; furthermore, in the context of the EU membership, Portugal is middle size in the context of the EU membership Poland is one of the six big countries in 28, alongside Germany, Italy, Spain, France, and the UK. The two facts that may make of Portugal a large entity, as Poland, are the language – Portuguese being one of the six major world languages, spoken in Brazil and five other African countries, and the maritime surface around the Azores Islands.

In economic terms however, Portugal has still a slightly better GDP PPP indicator than Poland, even if in the last ten years the Polish economy recovered a lot. But the HDI indicator of Poland is higher than that of Portuguese and the KEI of Portugal is also marginally higher than that of Poland, which means that after 40 years of

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complex and turbulent economic life the two countries arrived at similarly the same stage.

The importance of Human Resources (HR) in today's world is not disputable (Ployhart, Nyberg, Reilly, & Maltarich, 2014; Sujata Priyambada & Agrawal, 2012). Increasing investments are made worldwide, and returns are more and more perceived and accounted (Berry, 2006; Peters & Waterman, 1982; Zuckerman, 2002). In the context of HR, the relevance and importance of Higher Education (HE) derives from the fact that University graduates are essential as power and business drivers in the societies of the 21st century. Therefore, developed and developing countries need to have a rather extended elite of HE graduates.

It is in this context of construction and maintenance of a high equilibrium that marketization has been advocated (Joenglebed 2003). Private profiting and non-profiting providers in HE have been seen more and more as an option to public institutions.

In order to develop its own HE base, the European Union (EU) launched in 2006 the Bologna Process (EHEA, 2015). According to the Bologna Guidelines, in the EU, HE is divided in three levels – graduation, masters and PhD; moreover, those three so-called cycles have 3, 2 and 3 years of duration respectively (EHEA, 2015). Also, HE is performed basically in Universities but also in Polytechnic institutions, the difference between the two being that the former may award PhDs titles, and the later can't.

Having minded the description of the situation in both countries that was made previously, it is fairly obvious that, both for Portugal and Poland the success of higher education graduates will be a key for the success in the 21st century. Currently both countries have been investing in the scope of the EU's Bologna Process (Crosier, Dalferth, Parveva, European Commission, & Culture Executive, 2010).

All the good intentions about the Bologna Process were somehow put in question when after having reached its minimum value (15.1 %) in the first quarter 2008, the youth unemployment rate rose until reaching 23.6 % in the first quarter 2013 (Eurostat, 2015). For Portugal and for Poland the figures were of 37.7 and 27.7 respectively.

In this context in this paper we study how has the Bologna Process impacted in the employment situations of the HE graduates Portugal and Poland. To analyze that question we will use a model on the market of HE. That model is composed of four levels or subsections: a) stock, investment and outcomes; b) supply, demand, price and quantity; c) needs; d) market forces.

To answer out research question we divide the paper in five main sections. In the first section

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we present the theoretical background, namely we describe the basic concepts, build a logical and theoretical model, and present theories that explain that model. In section two we present our practical methodology. In the third section we briefly describe the Bologna Process. In section four we present the results of the application of our model to Portugal and Poland. In the fifth and last section we present the paper's conclusions, limitations, policy consequences, and we suggest some venues for future research.

THEORETICAL FRAMEWORK

CONCEPTS

In the context of this paper there are mainly two relevant conceptions of HRD. The main conception relates HRD with the workplace: "the organizing term for discussion and analysis of workplace learning" (Gibb 2008: 4) or as "a process of developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance" (Swanson and Holton 2008: 8). Also HRD has been analyzed as having th3e following four interrelated functions: (1) organization development (OD); (2) career development (CD); (3) training and development (T&D); and (4) performance improvement (PI) (McGuire and Cseh, 2006; Wang and McLean, 2007; Abdullah, 2009). Vocational Education and Training (VET) is a similar concept to HRD. It describes formal or informal leaning operations which directly relate with the workplace (Mulder, Weigel, Collins, 2006). We will call this conception the narrow one. In another much broader conception HRD encompasses any effort that aims at developing Human Resources (HR). If we define HR as any human characteristic that might be useful for the individual's employability, like education, competences, ability and not only workplace related training, we arrive at the conclusion that HE may also be considered a large form of HRD. In this paper we will something like a mixed version of HRD. In one hand it is well known that if HE is not linked with the needs of the workplace it will not be worth. But in the other hand, HE is also a very important individual and societal investment, and this perspective is also present in the Bologna Process in Portugal and Poland.

THEORIES

In this paper we will analyze HE from a perspective of Human Capital (HC). HC is defined as human characteristics that may be of interest for organizations. Education is one of these characteristics as it is training, competences, skills, etc. (Becker, 1993). Primary, secondary or tertiary/higher education should increase the wages and the employment prospects of individuals: this happens because competences should be increased, and therefore companies and organizations should be more willing to employ and reward these

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individuals. Organizations would benefit from higher education in terms of productivity, product quality, and even exports, given that it is well known that HC is a strong basis for competitive advantage and international competitiveness. Therefore, there is a strong case for the individual investment in education, and in higher education; in fact according to the age-wage profiles (Murphy and Welch, 1990), rewards should be higher for higher education than for secondary and primary education, meaning that people would invest a lot in education and higher education. In an ideal world people would have the funds to invest in HE and would do it when the benefits of the investments measured in wages would out-weight the costs measured in forgone earnings, tuition fees etc. Also, in an ideal world a balance should exist between the skills and competences that are demanded by companies and organizations, and the skills and competences that are provided by schools and universities.

The main idea of Human Capita Theory (HCT) regarding HE is that individuals invest when they are young and reap the rewards of the investment as they reach middle age. The situation has been depicted in the "age-earning" profiles; those profiles apply to all countries in which they have been tried (Psacharopoulos, 1995). However, some strong comments have been made to the almost perfect world of HCT. First people are discriminated by the signals they send to the employers resulting in unfairness in and inefficiency in opportunities and rewards (Spence. 1975). Second different segments exist in the labor market, and usually education is less rewarded in small firms that belong to the perfect competition sector than in big firms that operate in the oligopolistic sector of the market (Piore, 1970). Thirdly, market failures of funding, information individual and myopia ask for public provision, and funding of education and mostly of HE (Le Grand, Propper and Smith, 2008). Finally, importance unbalances may exist between the supply of skills and the demand for those skills. Competency profiles study is in fact a major area in HRD (Mulder, 2014); and precisely the idea of implementing a 3 tier HE scheme all over Europe was to facilitate the matching between demand and supply at HE level by making the provision easier.

This microeconomic analysis can be easily extended to macroeconomic scope (Ashton and Green, 1996; Schultz, 1961). Economies can be defined as low skill, medium skill and high skills as they are based in primary, secondary or post-secondary education. Regarding HE, the levels of attendance in the three types of economy are low or elitist, medium or high. Usually poor and developing countries are characterized by low skills, emerging countries by medium skills and developed countries by high skills. Some sort of national agreement over competences

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and skills has to be reached in order for a country to break the vicious cycle of low skills equilibrium and reach a higher equilibrium. As we will in detail below, in the Results section, Portugal was clearly a low skilled economy before the 1974 revolution and needed the support from the EU to reach a middle skills level; Poland had a much higher level of educational attainment but also faced some adjustments. Within these two contexts, there were reasons to welcome the Bologna Process in both countries.

Finally, in the context of this paper, and due to the relevance of youth unemployment in Europe, and in the EU and particularly in Portugal and Poland, we believe it is important to list the fivr most important theories on the sources of unemployment. Namely "classical economists" like Adam Smith considered unemployment was caused by lack of information or other market imperfections (like today's Minimum wage, for some liberal authors). In other total different perspective Keynesian economists believe unemployment is caused by lack of demand, and much be solved by public stimulus. Thirdly, in the line of the works of Milton Friedman, unemployment may be caused by lack of money or lack of credit, and the financial crisis of 2008-9 is a strong reminder that this may happen. Fourthly with globalization the international scope of unemployment became stronger, and international competitiveness is essential to hold billions of jobs; also within the EU context very strict budgetary rules have to be obeyed by countries, and 2 percentage points of homologous inflation was as the main target policy target – facts that mean that the external world may be a cause of unemployment. Finally, the divergence between the profiles of supply and labor may be a cause of unemployment.

METHODOLOGY

In order to analyze the situation of the Portugal and Poland regarding higher education in the last decade, we divide the analysis in four broad stages: a) stocks, investments and outcomes; b) supply, demand, price and quantity; c) needs; d) private and public forces.

A more theoretically based detailed description of the model is presented next:

a) Stocks, investments and outcomes;

We consider Higher Education (HE) as a form of investment (HC). HE is an individual, organizational and social asset, for which there is a stock (Frank, 2011). That stock may be increased by investments (Frank, 2011). The stock of HE may be depreciated by retirements or obsolescence of skills (Frank, 2011). For some well-known authors the stock / investment and return analysis is like one face of a coin. To have a good level of HE should be good for a person, organization, region or country. But this is only the easiest part of the problem. The second

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side, however, is as important as the first and is related to outcomes. Therefore, crucially, the investment in HE must generate returns (Frank, 2011). Those returns, socially speaking should be linked with wages and employment probability (for persons), productivity and product quality (for organizations) income, wealth, employment, and trade balance (for societies) (Frank, 2011).

b) Supply, demand, price, quantity

To analyze the national situation on HE it is not only necessary to look at reality by the "assets" perspective. We also must consider that a national market of HE exists, in which HE is supplied, and demanded, and for which there is a price and a quantity (Becker, 1993). The demand of HE, or is made by individuals, families, organizations (public, profit seeking or from the third sector). It may be measured in hours, courses, or any monetary metric. The supply of HE is made by specific entities that constitute the HE system, namely Universities and Polytechnic schools; this system may include private, public or third sector organizations; it may also include multinationals or institutions from abroad.

Some organizations may try to supply the HE they need. Some others may try to find the HE they need in the market. As HE is possessed it has to be acquired. The acquisition is done using funds. Those funds may be from the individual, the company or organization, the banking system or the public sector. The price of HE can be measured by the amount of money that is needed to achieve a skill or a competence. That amount may include fees and materials (for individuals), productivity loss and production and funding of operations (for organizations and countries). In a given period of time and a given country it is possible to define the quantity of HE that was provided and in fact bought in the market.

c) Needs

We believe that for a country, the need for HE can be defined by benchmarking in relation with the world leaders. Therefore, the need in HE for Portugal and Poland should be defined comparing their average values on HR stock, supply or demand, with the levels of countries like the USA, Japan or the Nordic European States. We assume that the notion of need is related with the necessity of catching up. The Bologna Process was made to foster that catching up.

d) Market forces

The functioning of the market requires that a set of economic actors are present in that market. In the HR market several types of agents evolve: individuals and their families; the banking system; the educational bodies; public bodies; companies; the third sector; consultants; unions and representatives of companies. Also in an increasingly globalized

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world international bodies such as multinationals play a vital world in defining the investment in HE in any country. Those actors define and materialize the HR policy in each country. It is very important to define what those policies were, in discourse and in practice. In the end of the day, the consequences of the investment in HR are all consequences of policies. The market forces are similar to what has been defined in social theory as the "Welfare Mix" (Esping Andersen, 1994). To sum up: the actors (market forces, welfare mix) define the supply and the demand, which generate a price for a quantity; the price is important to know if there will be investment; the investment increases.

THE BOLOGNA PROCESS

The European Union (EU) formerly (before 2004) known as European Communities (ECs) had a Directorate on Education since its beginnings in 1958, but Education was only included in the Treaty of Rome which was the main ruler of the institution in 1986, with the Single European Act. Between 1986 and 2004 the ECs/EU developed and tried to implement a set of policies aimed at generalizing education from the lowest (primary) to the highest (university) education. The initiative which more notorious was the Erasmus program (European Union, 2015). However, the big breakthrough came when in 2005 it was decided that in all the EU the University system was to be unified. In practice that meant that the EU countries would adopt a very British like university system, flexible, guided by the ECTS (European Credit Transfer System) and in three phases of 3, 2 and 3 years, corresponding to Bachelor, Masters and Doctor levels. The implementation of the new system was not smooth but in practice by 2010 all the countries had completed the adjustment into the new administrative setting. Some evaluation studies were made by the EU itself and by independent academics. The results were not very impressive; the fact that from 2008 to 2012 the EU suffered the effects of the financial crisis compounded with governability problems in the Eurozone, influenced the fact that despite the investment in HE the Bologna Process represented, youth unemployment reached record levels in the EU (Eurostat, 2015). This was the context which generated our research question – how did the Bologna Process impacted the employment in Portugal and Poland?

APPLICATION OF THE MODEL

In this section we show the result of the application of our model to the Bologna Process in Portugal and Poland.

a) Stocks, investments and outcomes.

The percentage of population with HE in Portugal rose from 7.5 in 2000 to 11.7 in 2006 and 15.6 in 2011; in Poland the percentage of population with HE rose from 9.2 in 2000 to 14.9 in 2006 and 20.7 in 2011 (OECD, 2013).

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In 2012 the shares of population with tertiary education by age are indicated in the following Table 2.

Table 2- Population with tertiary education.

	Poland	Portugal	OECD	EU average
25-64 years old	*24*	*17*	*32*	28
30-34 years old	*37*	*26*	*39*	37
25-34 years old	*39*	*27*	*39*	36
55-64 years old	*13*	*11*	*24*	21

Fonte: OCDE (2013)

This increase in the stock of HE, was made with an increase in the investment in HE, but budgetary restrictions were very severe after the implementation of the Bologna Process. The public expenditure in education attained the average of EU expenditure before the 2007-8 crisis and decreased after due to financial restrictions. After a long rise, from 2006 to 2010 the share of public money spent in HE in the Portuguese GDP decreased from 11,4 to 10,9, and in the same years the share of public money spent in HE in the Polish GDP decreased from 12 to 11,4 (World Bank, 2014). Expenditures per student in public schools were two times lower than in leading European countries (for example, the total public expenditure per student in tertiary education in 2010 was equivalent to 20,9% of GDP per capita, whereas in Sweden it was 41,8% or 42,7% in the Netherlands (Susabowska, 2013).

In Portugal the number of students who successfully obtained their diplomas has been rising and that increase has been sharper in relation to Masters and PhDs:

Table 3 - Diplomas in Portugal

	Bachelors	Masters	PhDs	Total
1991	13452	297		18671
1997	25067	1884	232	42796
2006	47141	4248	1094	71828
2011	51267	14733	1608	78785

In Poland the number of graduates went from 215 914 in 1998, to 498 013 in 2006 and 643 802 in 2012 (OECD, 2013).

Even in the context of the economic crisis of 2008-9 and of the Eurozone problems of 2011-3. Higher education graduates continued to have better employment prospects in both countries, as it can be seen by Table 4, above. By and large HE graduates have 60 percentage points and 20 percentage points advantage in Poland with comparison with primary and secondary school leavers, and 30 and 15 points in Portugal.

More also means less unemployment in both countries, as we show in the following Table 5. The unemployment rate for graduates in Portugal was of 4 and 5 percentage points lower than for primary and secondary education. In Poland the advantage was bigger – 5 and around 15 percentage points.

b) Supply, Demand, price and quantity

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The number of students in HE in Portugal rose from 158 000 in 1990 to 403 000 in 2003, then decreased to 367 000 in 2006 and rose to 396 000 in 2011. The figures were helped with the creation in the nineties of many private institutions who ten years ago had around 30% of the market, and then by the reinforcement of the public network who currently absorbs almost all the first choices of students (Pordata, 2015).

The number of students in Poland increased from 403,000 in 1990 to almost 2,000,000 in 2013. At the same time the number of universities and/or educational institution has quadrupled (from 112 in 1990 to 470 in 2013) (Ministry of Science and Higher Education, 2013).

Interestingly, expenditures per student in public schools were two times lower than in the leading European countries.

If we analyze the ILO statistics on the labor force (ILO 2014) the employment in Portugal is of 4634000 but only 942000 (20% for HE) for highly educated professions, which means demand is lower than supply. For Poland the figures are of 1559000 and 4616000 (33% for HE), and even if the situation is better, supply seems to overcome demand.

The social price of higher education in Poland is of 8866 dollars, and the share of private money is 29.4%. For Portugal the figures are 10578 and 31% respectively (OECD, 2015).

c) Needs.

We try to define the needs of HE by comparing the actual relative data of Portugal and Poland with data from the world leading economy that is the USA. We do the analysis on the supply side and on the demand side.

We find out that in the USA the enrollment number is higher than in Poland or Portugal, between 26 and 28% in the last decade, compared with from 9 to 21% in Poland and from 7 to 15.6% in Portugal (see Table 7).

Table 4 - Employment rates by highest (secondary or tertiary) level of education (%).

	Primary education			Secondary education			Tertiary education		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
27 EU	45,4	44,6	43,9	68,4	68,1	67,9	82	81,8	81,7
Poland	23,4	23,4	22,4	62,0	61,7	61,6	82,2	82,1	82,3
Portugal	59,6	56,7	55,2	65,9	63,3	64,0	80,9	78,5	76,7

Fonte: Own study based on Eurostat 2013' and The World Bank (2013a, b).

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Table 5 -Unemployment rates by sex, age and highest level of education attained (%)

	Primary education			Secondary education			Tertiary education		
Q4	2011	2012	2013	2011	2012	2013	2011	2012	2013
27 EU	17,4	19,1	19,3	9,2	9,9	9,8	5,8	6,3	6,4
Poland	17,9	19,6	19,9	10,8	11,2	10,9	5,3	5,8	5,6
Portugal	15,7	18,9	17,1	15,5	18,9	16,7	10,7	13,5	12,9

Fonte: Own study based on Eurostat 2013

Table 6 - Earnings and higher Education in Portugal and Poland

	Poland	Portugal	OECD	EU average
Average earnings premium of tertiary education	*169*	*170*	*157*	158
Average earnings penalty for not having attained upper secondary	*83*	*69*	*76*	77

Table 7 - Needs of HE analyzed by the supply side – Attendance in University

	2000	2006	2009
USA	25.6	27.0	27,9
Poland	9.2	14.9	20.7
Portugal	7.5	11.7	15.6

This means that Portugal also Poland still, and need to increase the levels of supply of HE. Anyway it is very interesting to find out that the need decreased because between 2000 and 2009, and it is a pity we did not succeed having more recent data, the Poland caught up half of the distance and Portugal forty percent of that same distance.

However, when it comes to the demand side, the percentage of the labor force with the three Bologna levels is much higher in the United States (82 million, in 132 that is 62%) (ILO, 2014) than in Poland (33%) or Portugal (20%), which means that the companies of those two countries should increase the use of Bologna graduates considerably, particularly in Portugal.

d) Market forces.

In Portugal 362 000 students attended HE in 2014 and around 80% of the market of HE is public; that percentage increases in the masters and PhDs (Pordata, 2015). Also, 75% of the students are in universities and only 25% in polytechnic institutions. The military have a

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small part of the market. The Catholic University is prestigious and has around 7.5% of the market. And almost all the universities are Portuguese with a small exception of Universidade Europeia (UE) which is American. UE is part of Laureate International Universities (LIU) and LIU aims to have 10000 students by 2020 (Tomé and Martins, 2015).

In Poland the situation is much more diverse and nuanced (see Table 8, above). There are 444 universities in Poland: 137 public and 307 non-public schools. Interestingly, 72% students attend to public universities (Susabowska, K. 2013).

Table 8 - Polish institutions, 2013-4

	Number	Percent
University	19	13,9
Politechnic / technology	18	13,1
Environmental and life science	6	4,4
Economics	5	3,6
Pedagogical	6	4,4
Medical	9	6,6
Maritime	2	1,5
Physical education	6	4,4
Art	19	13,9
Theological	4	2,9
Military	5	3,6
Other	38	27,7
Total	137	100

Fonte: (Susabowska, K. 2013).

DISCUSSION

In both countries the Bologna Process put much pressure in the non-University levels of HE because given that the first university grade was decreased to three years, students began to view Polytechnic schools as second rate options.

Poland and Portugal face the tremendous challenge of providing jobs for educated people in the integrated Europe. The problem exists because companies have difficulties adapting to the modern world of the 21st globalized century.

In one hand the Bologna Process helped those countries because at least the ECTS system is global, and youngsters may move freely all over Europe. And indeed many youngsters migrated already to survive.

But in the other hand the Bologna Process created a two tier division between graduates and Masters or PhDs. This means that the situation of graduates comparatively with the situation before Bologna effectively got worse, and nowadays the job a graduate can obtain is worse than the job a graduated obtained 20 years ago. This was the root cause of the so-called “generation 500 euros” or “generation minimum wage”. This generation of young poor people who have much difficulty leaving their parent’s homes is bound to spend some years in internships or even worse in low paid, massified, lean thinking oriented services like call centers (Torraco and al, 2015). The only two ways a Bologna graduate has to achieve a good job, is by massive years of life long on-the job

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training and learning, and also by achieving Masters and PhD.

In this context we believe that even if the Bologna Process was essential conducted with good intentions, it effectively created a two tier division between students. The students that will do Masters and PhD will be few, but will be in a highway to employment. They will be the usual "happy 20%" that show up in management studies (in this case being a group of "happy and special students) and who will reap the benefits of the reform. But exactly because of that, much care should be taken analyzing the situation of the other "80%" which in fact are the "ordinary students". These "ordinary students" are the not the best students, they are the ones that have being feeling anxious and social policies should be developed to guarantee they don't end up socially excluded. Having in mind that these "ordinary students" usually come from less privileged, more disadvantaged and poorer backgrounds we conclude that the Bologna Process tried to solve a problem – matching between supply and demand of skills – and created two – a divergence between "special and good" students and "ordinary and bad students" and also unemployment. The rise in youth unemployment may be explained at least partially because when graduations were of 4 to 5 years students left school much later – around 24 to 25 years – and now with graduations of 3 years they leave at 22 or less. This may be a bizarre explanation, but in life and sometimes in economics and HRD, reality seems stranger than fiction, and the better intentioned measures may have deep and unexpected perverse effects as in this case.

CONCLUSIONS

The Bologna Process was a necessity for European societies, aimed at increasing the match between supply and demand of skills, competences and labor. In Portugal and Poland, two countries who joined the EU after a process of democratization and have a similar level of economic and social indicators, placing themselves in the group of "less affluent of rich countries", the Bologna Process should be fundamental to transfer the two countries from a middle skilled equilibrium to a high skilled one.

In fact, the investment in HE stalled in both countries in the years since the implementation of the Bologna Process due to massive budgetary restrictions. Nevertheless, the stock of HE graduates increased massively, seemingly because the authorities thought that the free market should lead the HE market in the two countries. Employment prospects, unemployment prospects and wages of graduates continued to be much higher than those of non-graduates. But an unexpected divide appeared between graduates and

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Masters/PhDs, with important social consequences. While the first "saved" themselves and prospered going into high skilled jobs, the later had to endure minimum wage and underskilled occupations. The low payment for these youngsters was also justified because the supply of HE with Bologna increased but the demand by companies did not match. In fact, both Portugal and Poland have stronger needs in the demand side of the market than in the supply side. Finally, both markets continue to be essentially public and the experiences of privatization did not succeed to much.

As a final word, the Bologna Process faces in both countries the massive and decisive challenge of eliminating youth unemployment and emigration but this can only be done with the cooperation of companies that should create high pay and high skilled jobs. Only when this will occur the Bologna Process will achieve its ultimate goal of transforming Portugal and Poland in high skilled *equibriuns*. Let us hope it happens, for the good of the two countries and particularly for the good of their youths.

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AUTORES

Eduardo Tomé

Doutor em Economia pelo ISEG/Universidade Técnica de Lisboa. É vinculado à Universidade Europeia e ao centro GOVCOPP da Universidade de Aveiro.

Katarzyna Susabowska

Professora do Departamento de Gestão de Recursos Humanos da Universidade de Economia de Katowice.