

# Azerbaijan's Academic Inflation Indicators

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## **Azerbaijan's Academic Inflation Indicators**

The idea that educational certificates or diplomas are the key to obtaining high-paying and secure jobs prevails in Azerbaijani society. There is a belief that there is a positive correlation between diplomas and economic benefits. However, the claim of academic inflation that emerged towards the end of the twentieth century casts doubt on the idea that higher levels of education result in higher economic status (Araki and Kariya 2022). The claim is that an increase in the proportion of educated people in society leads to the devaluation of diplomas and certificates (Collins 1979). Academic inflation obtains when the number of individuals with higher education exceeds the number of jobs that require such credentials.

The main topic I will examine in this article is academic inflation in Azerbaijan. I have studied the indicators of academic inflation based on the role and value of higher education (university) diplomas in the labor market. I analyzed the employment performance of individuals with higher education in Azerbaijan. The results show that a significant number of university graduates cannot find jobs in their field. They need additional courses and certificates to obtain high-paying jobs related to their specialties. At the same time, the number of university graduates working in fields that do not require higher education is also quite high. This has led to a university diploma becoming a condition even for jobs that secondary school graduates could perform. It is clear that the value of higher education in the labor market has decreased significantly and academic inflation has emerged.

## **What is academic inflation?**

The number of university graduates in Azerbaijan increases every year. Over the past 20 years, the number of students admitted to universities has tripled (Az.trend.az 2023). The creation of new higher education institutions, including the increase in tuition-free state-funded places, accelerates this process and makes higher education more accessible to more people (Azerbaijan newspaper 2023; Report.az 2021). After completing their education, graduates enter the labor market and begin looking for jobs in their fields. This naturally increases the number of diploma holders in the labor market. As a result, the number of graduates either looking for work or seeking to change jobs rises steadily every year.

At first glance, the increase in the number of graduates seems positive. However, the lack of sufficient job opportunities for university graduates in the labor market creates new problems. When the number of graduates rises while job opportunities do not, the demand for jobs requiring the same salary and skills increases. A higher demand for a job encourages employers to choose individuals with higher levels of education and professional skills. This raises employment requirements. Jobs that previously required only secondary education now require higher education. Jobs that previously required higher education now demand graduate degrees. The value of a university diploma gradually decreases, which leads to academic inflation.

Academic inflation refers to the increase in the number of diploma holders in the labor market when new job opportunities are not created. Such an increase raises employment requirements and forces graduates who cannot meet the rising standards into lower-paying and lower-status jobs. Graduates with the same diploma must choose lower-paying and lower-status jobs compared to others (Yalçıntaş and Akkaya 2019).

Naturally, the shift of graduates into low-paying, low-status

jobs such as cashier, waiter, seller, and courier raises the demand for these jobs as well. While these jobs could easily be performed by secondary school graduates, they have now become the choice of university graduates. Employment standards have started to rise. Secondary school and vocational graduates lose the opportunity to work in jobs suitable for their skills and join the ranks of the unemployed. For example, jobs such as cashier, seller, waiter, and courier can easily be performed by people with only secondary education. However, when university graduates apply for these jobs, employers raise selection criteria and, in some cases, even demand diplomas.

At this point, it is necessary to note that the increase in the number of university graduates is not only the result of state incentives but also of internal social dynamics. In some cases, young people see a university diploma merely as a document that grants them a deferment from military service or as a “dowry [cehizlik] diploma.” Families believe that if their children are university-educated, they will have better chances when they reach marriage age.

### **Indicators of academic inflation in Azerbaijan**

The number of people graduating from universities in Azerbaijan is steadily increasing. According to the State Statistics Committee (SSC), between 2019 and 2023 the number of university graduates rose by about 11 thousand people (Dövlət Statistika Komitəsi 2025a).

**Table 1: Number of people graduating from universities**

<b>Years</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of graduates (thousands)	37.562	40.824	43.409	46.039	48.421

However, not all graduates who complete their education and enter the labor market succeed in finding jobs. SSC data also show that the number of unemployed graduates in Azerbaijan is

quite high (Dövlət Statistika Komitəsi 2025b). Graduates make up about 12 percent of the total unemployed population.

**Table 2: Number of unemployed graduates**

<b>Years</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total unemployed (thousands)	252.1	368.7	310.5	293.3	286.4
Unemployed graduates (thousands)	34.4	46	38.5	36.4	34.8
Graduates as a share of total unemployed	13,6%	12,47%	12,39%	12,41%	12,15%

It should be noted that these figures are official statistics provided by the SSC. There are differing views about whether they reflect reality. Some economists, for example Toğrul Mashalli and Hikmat Abdulazizov, argue that actual unemployment rates in Azerbaijan are higher than official statistics indicate (see Abdulazizov 2021, Marşallı 2021). In that case, the real situation of unemployed graduates may also differ.

In recent years, as part of the cooperation between universities and the State Employment Agency, an Employment Ranking of Graduates has been prepared. This ranking is based on the position of graduates in the labor market within two years after graduation (Modern.az, 2024a). According to the most recent data for 2018-2022, the employment rates of graduates by university are as follows.

**Table 3: Graduate employment rates by university (2018-2022)**

<b>University</b>	<b>Graduate employment rate</b>
Azerbaijan State Oil and Industry University	64%
Azerbaijan State Economic University	61%

Azerbaijan Tourism and Management University	60,6%
Baku State University	Approximately 55%
Baku Business University	58,3%
Azerbaijan Academy of Labor and Social Relations	56,1%
Lankaran State University	54,7%
Azerbaijan State Pedagogical University	51,5%
Sumqayit State University	Approximately 50%
Mingachevir State University	48,8%
Azerbaijan State Academy of Physical Education and Sport	47,6%

As can be seen from the table, among the 45.000 graduates from 11 universities included in the system between 2018 and 2022, only 26.000 (57 percent) found jobs. There is no official information about the remaining graduates. These figures show that only 57 out of every 100 graduates manage to find a job.

On the other hand, there are also differences among those who do find jobs. Employment rates vary by specialty (E-social.gov.az 2025). Based on the abovementioned Employment Ranking of Graduates, it is possible to determine the statistics of those employed in their field between 2018 and 2022. It should be noted that the ranking includes data only for the top ten specialties by number of graduates.

**Table 4: Number of graduates employed in their specialties (2018-2022)**

Specialty (top 10)	Number of graduates	Number of employed in their specialty	Percentage
Economics	4288	2554	59%
Finance	2895	1806	62%

Accounting	2698	1746	64%
Management	2581	1574	60%
Teaching Azerbaijani language and literature	2528	1514	60%
Organization and management of industry	2332	1331	57%
Business administration	2242	1315	58%
World economy	2230	1096	49%
Physical education	2224	1044	47%
Teaching history	1768	867	49%

The table shows that on average 50 to 60 percent of graduates find jobs in their specialties. In other words, they manage to apply their knowledge and skills. If we take the earlier comparison into account, out of 100 graduates only 57 find jobs, and of those, only about half, that is 28 to 29 people, find jobs in their specialties.

Graduates' employment in their specialties is primarily related to the increasing requirements for jobs in these fields. The rise in the number of graduates naturally leads employers to apply stricter standards. Education experts also note that about 72 percent of university graduates need additional courses and certificates to find jobs (Big.az 2025). This shows that a university diploma alone is not sufficient for the labor market and has lost its value. In recent years, distinctive education credentials such as honors certificates, red diplomas, and gold medals have also lost their significance and value (Musavat.com 2024).

Rising employment requirements encourage graduates to continue their education. The rapid increase in the number of master's degree graduates between 2019 and 2023 can be seen as an example. Graduates increasingly apply for master's degrees in economics, management, and technology. This shows that selection criteria in the labor market have risen sharply and

that university diplomas alone are no longer sufficient. Graduates who cannot meet these requirements fall into lower positions in the labor market.

**Table 5: Number of master's degree graduates (2019-2023)**

<b>Years</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total master's degree graduates	6094	6108	6577	7792	9174
Master's graduates in economics and management	1964	1968	2234	2734	3432
Master's graduates in technical and technological specialties	1153	1239	1318	1771	2185

Rising employment standards seem positive from the perspective of employers. The increase in the number of candidates allows employers to choose the most prepared and best-educated graduates from the labor market. In their view, this means more professional, experienced, and prepared employees. However, this rise in employment standards occurs at the expense of the devaluation of university diplomas.

The devaluation of diplomas causes graduates to fall behind in competition in their specialties and to turn to fields unrelated to their education in order to find jobs. The Employment Ranking of Graduates provides detailed information on which fields these are. The ranking shows the number of graduates employed by sector of economic activity between 2018 and 2022. The table shows that the fields where most graduates work are wholesale and retail trade in non-specialized stores, restaurants, and courier services.

**Table 6: Number of graduates employed by sector of economic activity (2018-2022)**

<b>Sector of economic activity</b>	<b>Number of employed graduates</b>
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Wholesale and retail trade in non-specialized stores, restaurants, and courier services	7136
Central Bank Activity	3339
General Public Administration	1731
Higher Education	1387
General Secondary Education	1836

It should be noted that wholesale and retail trade stores also have managerial, accounting, and other vacancies that require higher education. Therefore, for more accurate results, it is useful to specify the comparison and statistical data further.

According to the ranking, between 2018 and 2022, 1515 graduates worked as waiters, 2117 as sales controllers and cashiers, 2103 as retail salespeople, 452 as security guards, 183 as sales controllers and cashiers of non-food products, 144 as laborers, 108 as assistant laborers, 204 as gas station operators, and 52 as couriers. During the same period, 1794 graduates worked as specialists and 870 as teachers in general education schools.

Note that these figures only reflect the number of graduates included in the Employment Ranking who were known to be employed. We do not have information about graduates not included in the ranking.

The analysis of the data clearly shows that the probability of graduates finding jobs in their specialties is gradually decreasing. This is because new jobs suitable for their specialties are not being created, or existing jobs raise their requirements as demand increases. Moreover, many new jobs created do not match the specialties of most graduates. The SSC publishes annual data on new jobs created. According to this data, between 2019 and 2023 an average of 9 to 10 thousand new jobs were created each year. However, not all of these new jobs were intended for university graduates.

**Table 7: Number of new jobs created**

Years	2019	2020	2021	2022	2023
<b>New Jobs Created</b>	11976	7246	8918	11889	12303

According to the SSC, in 2019 and 2020 about 35 percent of new jobs were created in the public sector, covering administrative and support services. In 2021-2023 more than 50 percent of new jobs were created in the non-public sector, covering construction, trade, and manufacturing. As can be seen, the number of university graduates is increasing, but the number of new jobs suitable for them is not increasing at the same rate. This change in the nature of new jobs explains why many graduates without specialties in construction, trade, or manufacturing move into the service sector (Dövlət Statistika Komitəsi 2019-2023).

The SSC data on the distribution of graduates by specialty between 2021 and 2023 also support this claim. While more than 50 percent of new jobs during this period were created in construction, trade, and manufacturing, about 50 percent of graduates had completed their education in education, humanities, and culture. This clearly shows the mismatch between supply and demand in the labor market (Dövlət Statistika Komitəsi 2025a).

The lack of new job opportunities in the labor market, combined with the promotion of higher education, forces more and more graduates to apply for jobs unrelated to their specialties, especially jobs that do not require higher education. The majority of them end up in professions such as waiter, cashier, seller, and courier, all of which could easily be performed by secondary school graduates. This shows that a university diploma is no longer sufficient to access better job opportunities and has lost its value. In short, instead of producing specialists, Azerbaijani universities are producing more waiters, cashiers, and sellers.

There may be some counterarguments to this approach. For

example, one could question to what extent graduates actually professionalize in their specialties and how well higher education meets the needs of the labor market. If higher education does not meet labor market requirements and does not provide professionalization, then the need for this level of education and the allocation of state budget funds for it should also be questioned (see Huseynli and Mehralizade, 2022).

It can also be argued that the labor market creates equal opportunities for graduates, selecting the skilled and professional while eliminating the unskilled. Everything can be explained by graduates' individual career planning. However, it should be noted that as a result of this process the university diploma loses its value. The main stakeholder here should be the state, which grants these diplomas and finances their acquisition. It is a good desire for everyone in a country to have a university diploma. However, we must then acknowledge that in this case even very simple jobs will be performed by graduates and the value of the diploma will decrease.

### **Consequences of academic inflation**

Academic inflation first of all results in an increase in the number of educational credentials, certificates, and diplomas required for a job (Gillen 2020). Jobs that could easily be performed by secondary school graduates are now jobs that require university diplomas, such as cashier, courier, and waiter. This process in turn leads to a number of new problems.

First, academic inflation reduces job opportunities for skilled workers. If a job does not actually require a university degree but the requirement is listed in the job description, then many skilled workers without diplomas are excluded from the selection process. For example, the vocational education system includes professions such as

operator, tour guide, concierge, controller-cashier, designer, sales-marketing specialist, and insurance agent. However, the shift of graduates into these professions squeezes out vocational graduates from the labor market. As a result, vocational graduates lose their economic mobility.

The initial results of this process can be seen in the Azerbaijani labor market. Between 2011 and 2016 the number of unemployed vocational graduates was about 10.000. Since 2016 this figure first rose to 18.000 and since 2019 has reached 20.000 to 24.000. A similar trend is observed in the unemployment levels of those with complete secondary education. In 2013 there were 124.000 unemployed with complete secondary education, while in 2023 this figure was 146.800 (Dövlət Statistika Komitəsi 2025b).

Second, academic inflation devalues other forms and levels of education. Universities are not the only places where people can learn. However, the rising demand for university diplomas disrupts this mechanism. Even if individuals have sufficient experience in jobs such as cashier, waiter, guide, or operator, the lack of a diploma becomes an obstacle. In this context, at a time when attention to universities in Azerbaijan is increasing, the number of vocational education institutions is decreasing. While there were 113 vocational schools in the country in 2015-2016, in 2023 this number fell to 92 (Dövlət Statistika Komitəsi 2025c).

Third, formal education requires expenses. Demanding a university diploma for a job that does not require it encourages people to obtain unnecessary credentials and certificates, which is costly for the individual, their family, and the state. According to 2025 data approved by the Cabinet of Ministers, the average annual expense for a state-funded student is between 2100 and 2500 manats (E-qanun 2025). For a graduate who has completed a four-year bachelor's degree, this means an expense of about 10.000 manats. Taking into account other social expenses borne by students'

families, the actual figure is even higher. The fact that such an expensive diploma only provides access to jobs such as waiter, courier, seller, and cashier is a problematic issue. Since the value of a university diploma is mainly measured by its ability to improve employment opportunities (see Huseynli and Mehralizade 2022), the current situation shows that diplomas have lost much of their value.

## **Conclusion**

In Azerbaijan, the number of jobs available to university graduates lags behind the number of graduates entering the labor market. Each year more graduates join the labor force. The insufficient supply of jobs raises selection criteria in the face of increasing demand. Graduates try to meet these criteria by pursuing further education, attending courses, and obtaining different certificates. As a result, the value of university diplomas decreases. Graduates with devalued diplomas who cannot compete successfully in the labor market are forced into jobs unrelated to their education and in many cases into professions that do not require higher education, such as waiter, courier, seller, and cashier. Consequently, the selection criteria for these jobs also rise, excluding secondary school and vocational graduates from employment. This gradually increases the indicators of academic inflation in Azerbaijan.

As a result of current education policy, Azerbaijan continues to take steps to increase the number of university graduates. It is difficult to say that the creation of new jobs in the service sector will keep pace with this trend or compensate for the growing demand from graduates. This process will further accelerate academic inflation and increase the number of unemployed graduates and the number of graduates working in professions below their intellectual capacity.

Today, the value of university diplomas in Azerbaijan's labor market continues to weaken. As long as no change is made in

the quality of higher education, no new job opportunities are created, and higher education continues to be promoted simply for its own sake, it is clear that this value will decrease further.

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