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ECONOMIC EDUCATION IN PRACTICE

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ABSTRACT

In order to participate in the labor market, economics graduates must acquire the necessary knowledge and competences during their studies, without which they cannot be actively involved in business processes and start their career as experts even in the most basic economic categories. If students do not have the initiative to really acquire knowledge, but their goal is only to pass certain exams, they finish their studies even without basic knowledge about economic categories. They start their careers from jobs where they are hired as operatives from whom no economic knowledge and performance is expected, but only the willingness to perform basic operational technical actions. In this paper, we have shown how economics students see their professional future and what basic knowledge they have about economic categories, such as taxes and contributions.

KEYWORDS

education, students, taxes, contributions

STUDENT AT THE CENTER OF EDUCATION

We are witnessing that in the 21st century, business conditions are changing rapidly. The world has become a "global village" in which changes are constant and require continuous adaptation of all subjects.

University education of the Humboldt type, which prevailed in almost all of Europe and around the world, for the past two centuries was oriented towards the development of science in its identity, from which all other identifications or responsibilities - personal, professional and social – emerged. (Bodroški Spariosu, 2015).

Students were expected to be fully committed to their studies. Studying should have a central place in their lives, and not be just one of the side activities. Studying meant dedication of the whole person. In the meantime, conditions in economic systems have changed. The academic community, whose basic constitutive members are professors and students, no longer has the possibility to continue with the way of working until recently. Employers from the private sector became increasingly vocal with the demand that graduate students can actively engage in work processes after completing their studies. They, as an interest group, had a dominant influence to change the system of higher education. In accordance with the new requirements of the labor market in European countries, the Bologna process was started, which, in addition to creating a system of easier understanding and standardization of diplomas, increasing the mobility of students and graduates, etc., also implies that students undertake to attend classes, have

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several different pre-examination obligations and have continuous monitoring and evaluation of their achievements.

In accordance with the changes that occurred in the previous decades in the economic environment, Serbia also accepted the Bologna Process and ratified the Bologna Declaration in 2003. (Berlin Communiqué, 2003).

The reform of higher education in Serbia was carried out, with the aim of universities being able to prepare qualified individuals to successfully respond to many social-economic and other challenges.

The quality of education must be improved to ensure that young people acquire the appropriate skills that will enable them to become well-informed, active and responsible citizens and ensure their social inclusion and readiness for professional life (European Commission, 2001). The predictions of scientists from several decades ago have almost come true, that in this millennium the classic way of acquiring education in schools and classrooms will gradually be replaced by some other forms of education, in which learning from one's own home and office with the help of computers and network connection with centers will dominate for education around the planet. (Radović Marković, 2011).

It is to be expected that twenty years after the acceptance of the Bologna Process, studying in Serbia will be truly focused on the goal set on the faculties - that graduated students can actively engage in work processes within the professions for which they were educated.

When it comes to economics, we are witnessing that in the 21st century, it is an area in which basic knowledge should not only be acquired by persons professionally engaged in the aforementioned field of social sciences. Today, in a world where everything is measured by money and where material wealth has taken precedence over all other wealth, it is unacceptable for young people to complete their education, in whatever field they acquire knowledge, without knowing even the basic concepts of economics. However, we often witness that young people have no idea how the market, payment system and tax system work in our country, which often limits their ability to undertake certain activities in order to further their professional and personal progress. When it comes to people who have focused on getting an education in fields that are not close to the economy, perhaps some excuse could be found as to why they do not have at least basic knowledge of the said field. However, when it comes to young people who have chosen economics as their profession, it seems natural that they have at least basic knowledge of elementary economic areas.

BASIC KNOWLEDGE IN PRACTICE

In order to see if young people who have decided to make economics their vocation in life have basic applicable knowledge about the fiscal system in the country they live in, a survey was conducted in which economics students participated. The research was conducted through a survey addressed to economics students at faculties in Belgrade during May and June 2024. Answers to the questionnaire were given by 107 students, and the analysis presented in this paper was based on them.

In our research, first of all, we wanted to find out why young people decided to study economics. The structure of the answers to the mentioned question can be seen in Figure 1.

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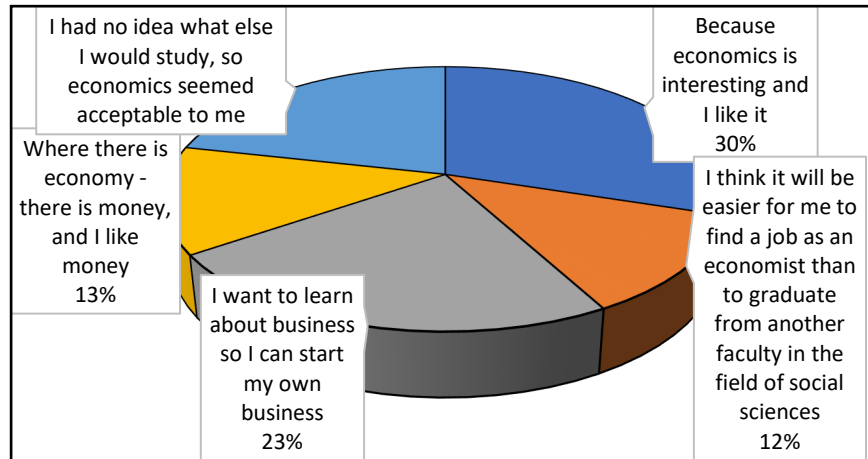


Figure 1. Why economics students decided to study economics

Source: Author's research

From the given graph, we can see that less than one third of students enrolled in economics studies because they think economics is interesting and they like it. On the other hand, a total of 34% of students enrolled in economic studies because they had no idea what else to study or because they expected to find work as economists more easily. The answers received are not surprising, because the school system in Serbia during primary, and especially during secondary education, with the exception of secondary economic, tourism or trade schools, does not allow children to become more familiar with economic concepts. Thus, we have a situation where a large number of students enroll in economic studies after completing high school, which should provide the widest range of general education, without ever having had the opportunity to become familiar with any economic subject. It is precisely because of the above-mentioned situation that students of economics are taken aback by everything that awaits them in the study of economic theories and quite often, completely demotivated, they give up on further studies.

We asked our students about their job aspirations after completing their studies. The structure of the answers to the mentioned question can be seen in Figure 2.

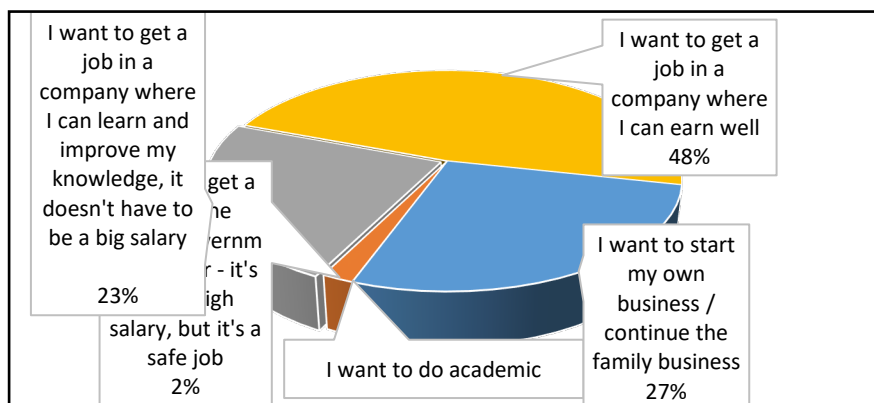


Figure 2. Desires regarding work

Source: Author's research

The results shown in Figure 2 show us that, unfortunately, none of the surveyed students wants to engage in academic and/or scientific-research work after graduation. On the other hand, almost half of the

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respondents (48%) want to be employed in a company where they can earn well. At the same time, 27% of respondents want to start their own business or continue their family business after their studies. This means that 75% of students plan to direct their professional involvement primarily in order to make a profit. The basic prerequisite for realizing the stated goal is good prior knowledge applicable in practice.

In order to see what kind of basic prior knowledge economics students have about elementary economic concepts that they should upgrade by the end of their studies and get involved in work processes in a quality way, in our survey we asked a very simple question that should be answered positively by almost every citizen of our country capable of doing business - we asked students if they knew what VAT is. We can see the results of the answers from Figure 3.

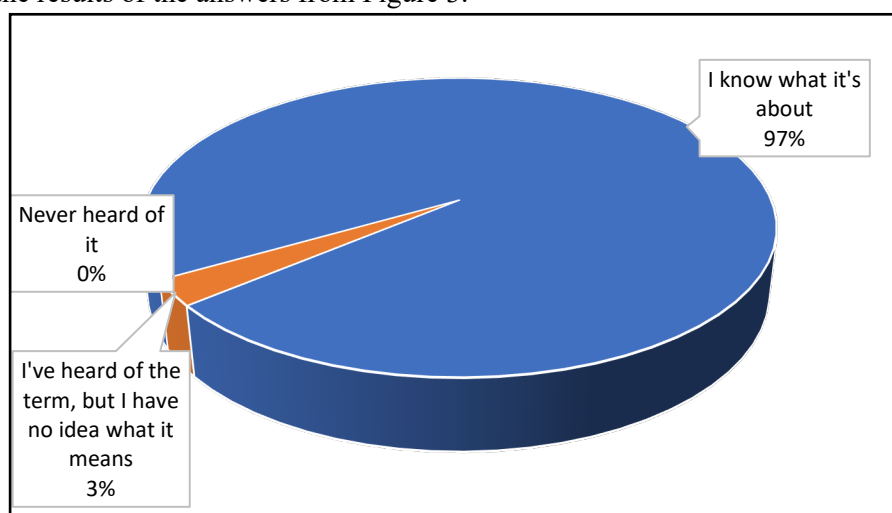


Figure 3. Do students know what VAT is?

Source: Author's research

From the given graph, we conclude that 97% of respondents answered that they know what it is about. The fact that 3% have heard the term, but have no idea what it means, is surprising, because it seems logical that an adult, although young, but studying economics, has knowledge of one of the basic economic terms that can be heard almost every day. But, we will consider this result as a coincidence and we will be convinced that economics students still know what it is about when VAT is mentioned. To test our beliefs, we asked survey participants if they knew exactly what the abbreviation VAT stands for. The correct answer was received from 96% of respondents - that it is a value added tax.

In our further research, we wanted to find out if the respondents make any difference at all in the fiscal treatment of goods, services, property and personal income. We do not expect students to know by heart which laws exactly regulate the fiscal treatment of the mentioned categories, nor which tax rates are current. However, if they have declared that they want to work in the economy and that their priority is profit, they should be familiar with at least the basic concepts from the field of fiscal economics, in the sense that goods, services, property and earnings are under completely different fiscal treatment, that VAT is calculated only during the delivery of goods and services and has nothing to do with assets and earnings.

In order to check how much students differentiate between different types of taxes, we asked them what they think - whether VAT is calculated on property owned by citizens and/or companies. Figure 4 illustrates the responses received.

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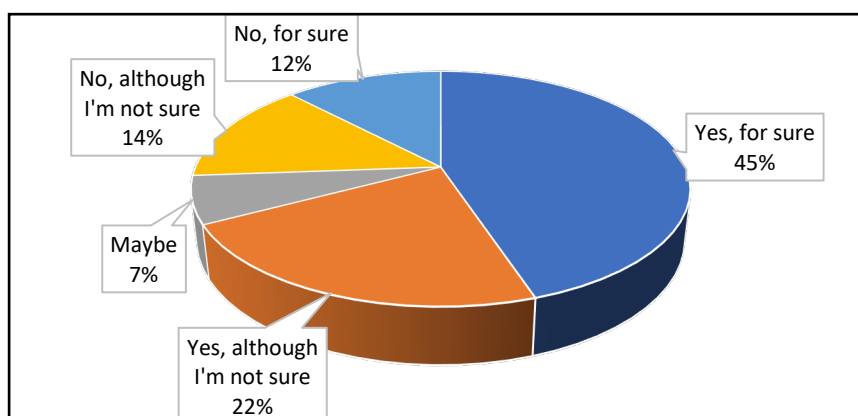


Figure 4. Students' opinion – whether VAT is calculated on property owned by citizens and/or companies

Source: Author's research

From Figure 4, it can be clearly seen that 45% of students are sure that VAT is calculated on properties owned by citizens and/or companies. On the one hand, this result can be comforting, because it shows that almost half of the students are sure that some property tax is paid. However, as people who decided to study economics, not for further academic engagement, but to work in the economy, respondents should distinguish between VAT (which is calculated for goods and services) and property tax.

We also asked economics students whether VAT is calculated on wages. We are of the opinion that every adult citizen capable of working should know at least the basics about earnings, so that, if nothing else, they can protect their rights. When asked whether VAT is calculated on wages, as many as 50.5% of respondents answered "Yes, for sure". We can see the structure of all responses from Figure 5.

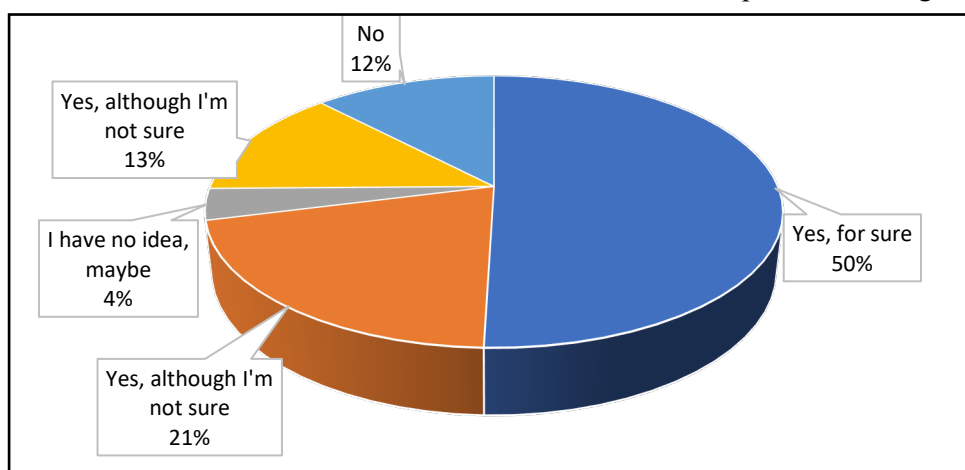


Figure 5. Students' opinion – whether VAT is calculated on wages

Source: Author's research

We believe that the results shown in Figure 5 are devastating, because students of economics should distinguish between earnings and goods and services, and thus know that there is a difference in fiscal treatment. However, it seems that for most respondents, VAT is synonymous with all taxes.

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In the further course of the research, we asked economics students what they think about which tax/taxes are calculated and paid when paying wages. In this question, the types of taxes are listed by name, so the respondents could, at least using the association method, express themselves more precisely. The range of diverse responses can be seen from Figure 6.

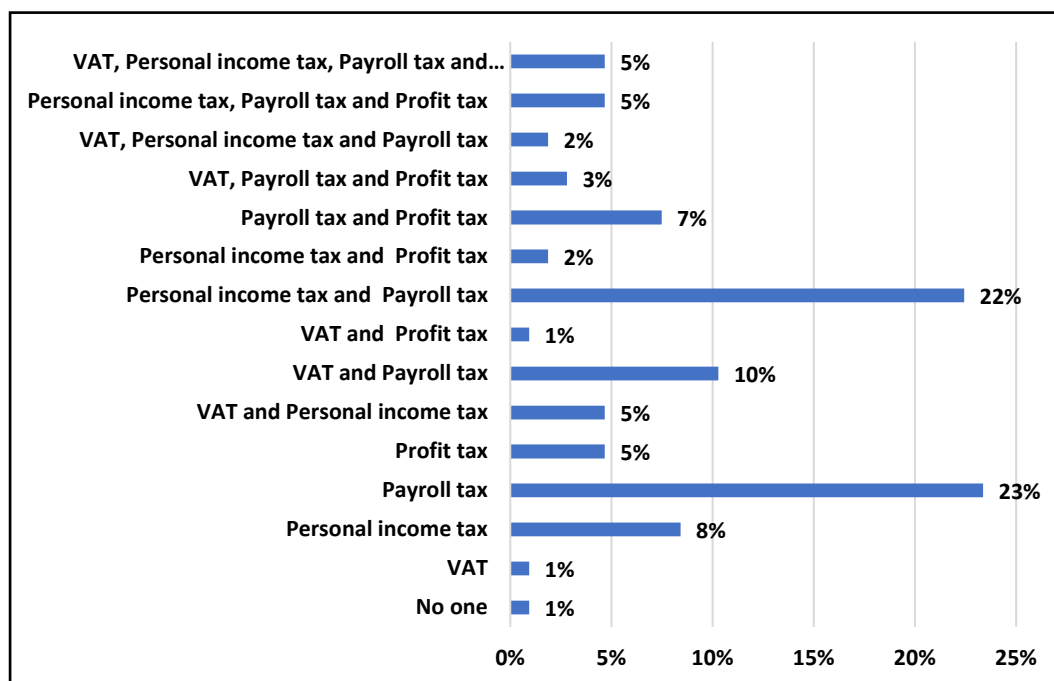


Figure 6. Students' opinion – which taxes are calculated and paid during the payment of wages

Source: Author's research

The largest number of students (23%) chose to answer that the Payroll tax is calculated on wages, which is correct. At the same time, we can also accept the answers of students who chose - Personal income tax, because the law that regulates the fiscal treatment of earnings is called the Law on personal income tax. (Sl. glasnik RS, 2024). However, it is worrying that 28% of the participants in the research answered that VAT is calculated and paid on wages (whether they decided only on VAT or rounded up this tax along with some other taxes offered). So, although among the answers offered was payroll tax, it didn't even associate them with the correct answer.

Also, 28% of the respondents answered that the profit tax is calculated and paid during the payment of wages (whether they decided only for the profit tax or rounded up this tax together with some of the other taxes offered).

Considering that during the calculation and payment of wages, social contributions are also calculated and paid, in addition to the wage tax, we wanted to find out if the students have any idea about this. The answers to the question of which contribution/contributions are calculated and paid during the payment of wages to employees can be seen from Figure 7.

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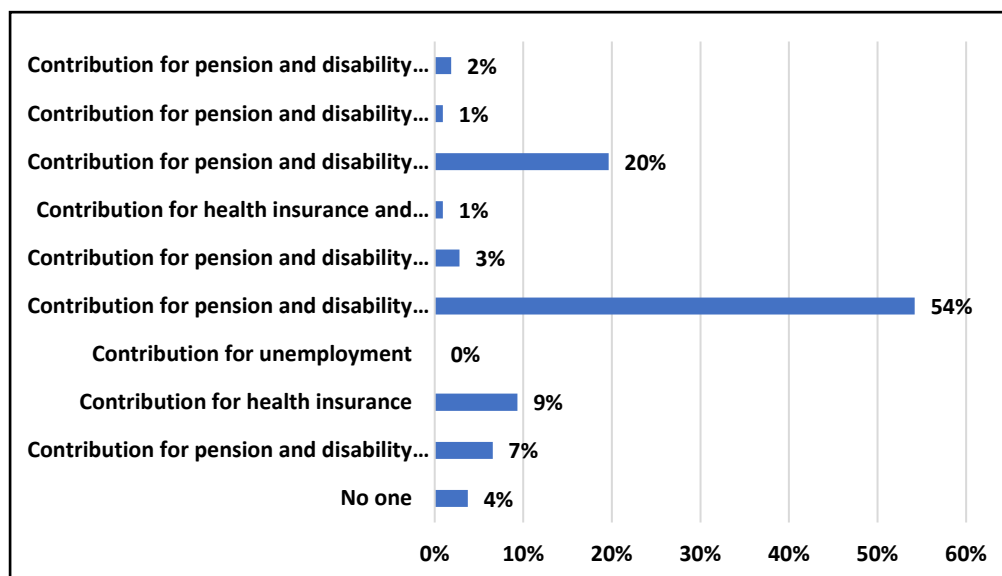


Figure 7. Students' opinion – which contribution/contributions are calculated and paid during salary payment

Source: Author's research

Only 20% of respondents gave the correct answer, that during the calculation and payment of wages they must calculate and pay contributions for pension and disability insurance, health insurance and unemployment. All others gave incomplete or wrong answers.

In order to find out if economics students have any idea how much will be paid in taxes and contributions when they get a job, we asked them what they think, if the salary is paid in the amount of 100,000 (net), how much will roughly be to pay the corresponding tax and contributions. We wanted to check whether they have an idea of how much the fiscal obligations related to salaries burden the company's operations. We can see the structure of the answers from Figure 8.

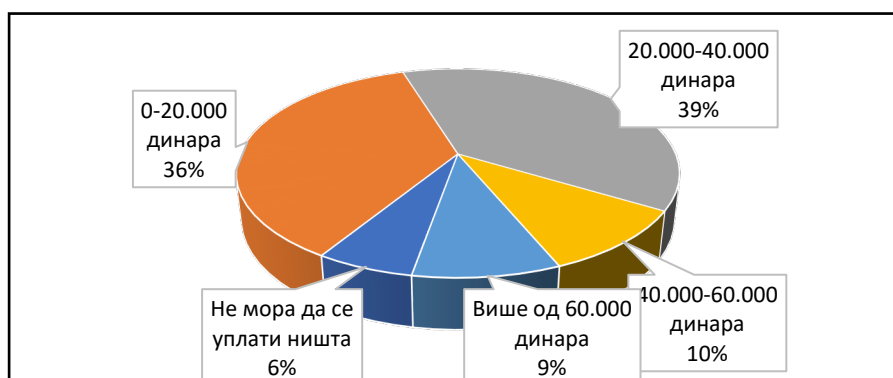


Figure 8. Students' opinion – what are the taxes and contributions for earnings of 100,000 (net)

Source: Author's research

Only 9% of students answered correctly, that for the stated earnings, taxes and contributions amount to more than 60,000 dinars. The largest number of students (39%) answered that the corresponding tax and contributions are from 20,000 to 40,000 dinars. At the same time, 36% answered that tax and



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contributions on earnings of 100,000 (net) amount to 0-20,000 dinars, and even 6% answered that nothing has to be paid.

CONCLUSION

Our research has shown that students mostly do not have knowledge of certain basic economic concepts, the knowledge of which is necessary for professional engagement in the economy. Although information on the fiscal treatment of goods, services and earnings is widely available, in addition to textbooks, on various websites and social networks, it seems that the majority of economics students have no interest in expanding their knowledge and trying to understand how the theoretical knowledge acquired at the faculties applies in practice.

In order to survive, in the 21st century it is necessary to have the ability to constantly adapt and constantly upgrade knowledge. In addition, the more he/she has knowledge and experience in a certain branch of business, the easier and more successful his/her path to the business world will be (Radović-Marković et. al, 2021).

Schools and colleges must make more efforts to teach young people to learn independently, without the constant help of professors and mentors. On the other hand, in order to achieve professional success and "make good money", as the interviewees declared their wish, young people must be aware that it is necessary to invest more time and effort in their own upgrading. There is no excuse for ignorance, because knowledge in the 21st century is available like never before.

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