

5. INVESTING IN THE KNOWLEDGE ECONOMY

5.4. Employment of tertiary-level graduates

Employment of tertiary-level graduates is an indicator of the innovative potential of an economy and of the capacity of its labour market to allocate human capital to the production process.

Large investments in education have led to a rise in educational attainment which is reflected in the composition of employment. On average, 35% of persons employed in the OECD area had a tertiary-level degree in 2007. Canada (over 50%), the United States, Japan, New Zealand and Finland (over 40%) ranked far ahead of the European Union, where just over one worker in four holds a tertiary-level degree. In Finland, Belgium, Ireland, Norway and the United Kingdom, tertiary-level graduates account for more than 35% of employment; in the Czech and Slovak Republics, Portugal and Italy they account for 20% or less.

Between 1998 and 2007, employment of tertiary-level graduates grew at an annual pace of about 3.6% in the OECD area. It increased in all countries and rose on average almost three times faster than total employment. The fastest growth was in Spain (8.2%), Ireland (7.6%) and Iceland (6.7%); the slowest in Germany (1.0%), Sweden (2.1%) and Finland (2.6%). In countries where tertiary-level graduates were already numerous (Canada, Japan, the United States), tertiary-level employment grew between 2.7% and 4% a year.

This growth is due in part to the increased presence of women in the labour market. Despite their greater propensity to graduate at tertiary level, fewer women work in certain countries. They represent on average 46% of tertiary-level employment, ranging from over 55% in Portugal, Sweden and Poland to less than 35% in Turkey, Korea and Switzerland.

The population of tertiary-level workers is ageing. In 2007, almost four out of ten OECD workers with a tertiary-level degree was over 45 years of age. Over a span of nine years, the share of those aged 45-64 has increased in most countries. Compared to 1998, the number of countries in which this age group accounts for 40% of tertiary-level employment has increased from five to ten: Australia, Canada, the Czech Republic, Finland, Germany, the Netherlands, New Zealand, Sweden, Switzerland and the United States.

University graduates are generally less likely than non-graduates to remain unemployed. However, the unemployment rate among university graduates is high in Turkey (6.9%) and Poland (6.2%) and also higher in Greece (5.4%) and France (5.3%) than in other countries. Women with a university degree are less

likely to be unemployed than women without one, yet their unemployment rate is higher than that of men with the same level of education. The largest gender gaps in university graduates' unemployment rates are found in Germany, Greece, Iceland and Turkey, where unemployment rates are almost twice as high for women as for men.

Measuring employment of tertiary-level graduates

The OECD Educational Attainment Database provides data on population at different levels of education distributed by sex, age and work status (employed, unemployed, inactive). It is compiled from member countries' labour force surveys and/or the European labour force survey. Adjustments are made to ensure comparability across countries, notably concerning national levels of education, which are recoded according to the International Standard Classification of Education (ISCED 1997).

Tertiary-level graduates are defined as holders of degrees at the ISCED levels 5B, 5A and 6. University graduates only include graduates at ISCED levels 5A and 6. ISCED level 5A programmes are long-stream programmes theoretically based or preparatory to research. The short streams (ISCED 5B) are more practically oriented. ISCED level 6 programmes are advanced research programmes.

Source

OECD, Educational Attainment Database, 2009.

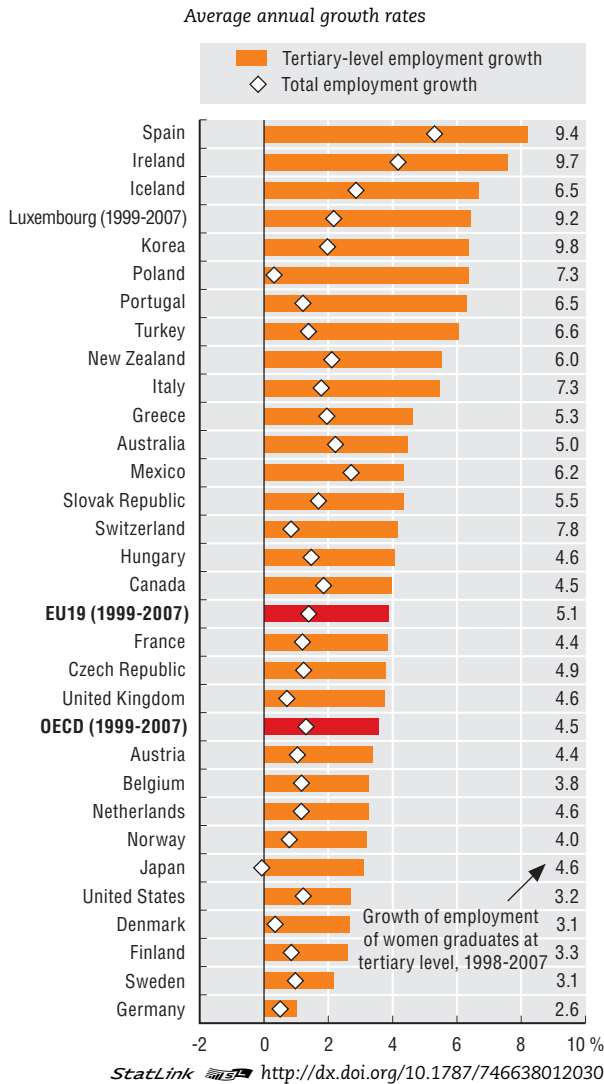
Going further

OECD (2008), *Education at a Glance 2008: OECD Indicators*, OECD, Paris, www.oecd.org/edu/eag2008.

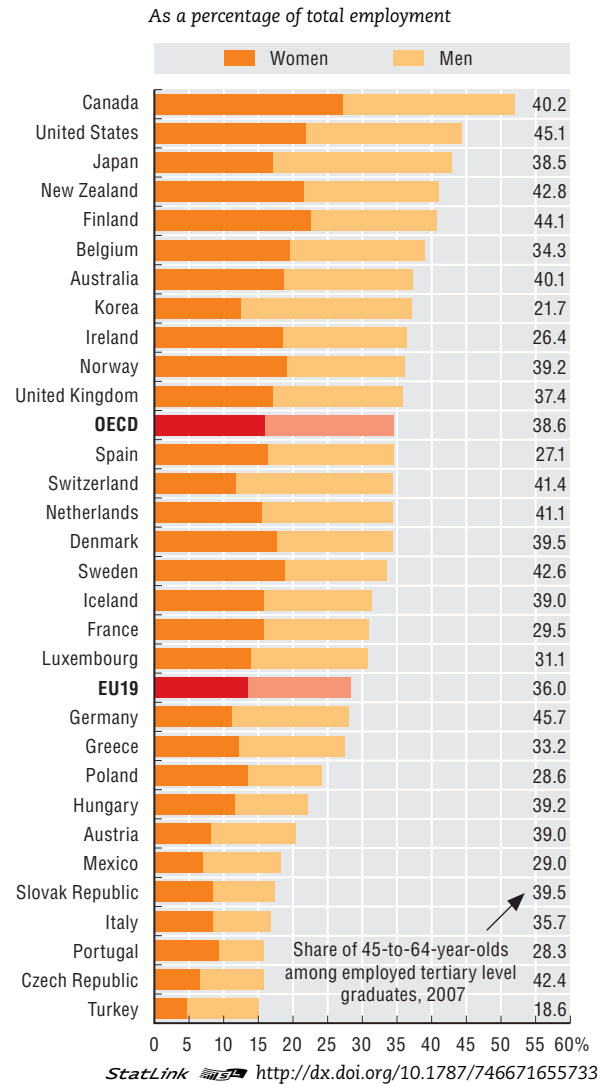
Figure notes

For Turkey, ISCED 5B programmes are not included.

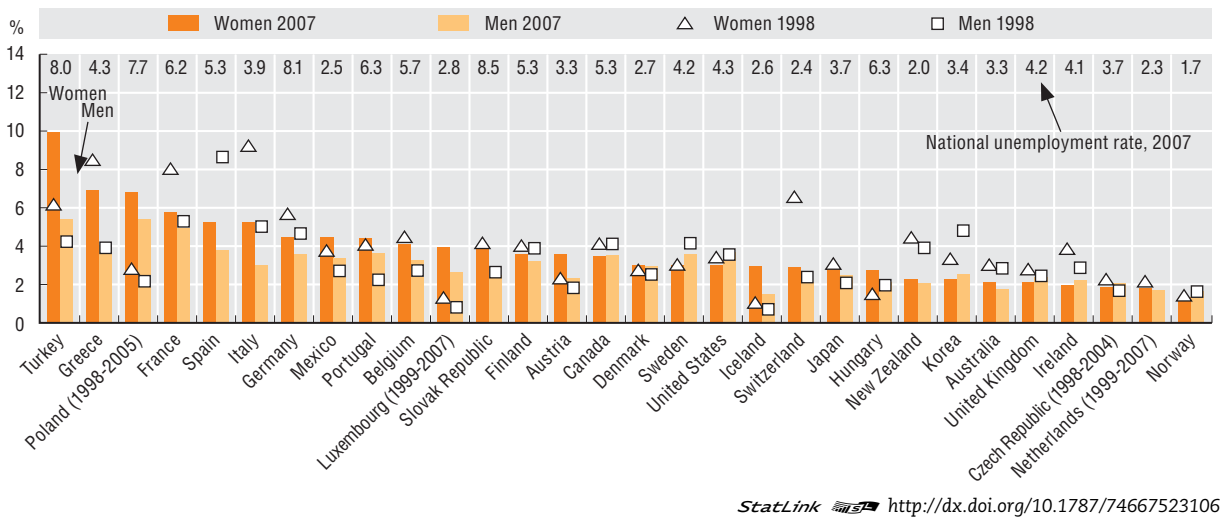
Employment growth of tertiary-level graduates, 1998-2007



Tertiary-level graduates in total employment, 2007



Unemployment rates of university graduates, 2007





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