

EDUCATION AND JOB PROSPECTS: WHAT CAN WE EXPECT TODAY?

In contrast to the older age-groups, the majority within the younger generations have successfully completed upper secondary education. Two out of three persons in the 25-29 age group have successfully completed upper secondary education, compared with a mere 41% in the 55-59 age group.

Educational levels have improved across all the countries of the Union, especially in those countries where levels were lowest. This has led to a degree of upward convergence in educational levels, despite major local disparities, in particular between rural and urban areas.

The improvement in attainment levels is even more marked among women. While the percentage of women in the 50-59 age group having successfully completed at least upper secondary education is 37% compared with 52% for men, in the 25-29 age group the proportion of women is the same as for men (67%). Nevertheless, opportunities for access to higher education still vary according to family background.

Conversely to the risk of unemployment, the activity rate increases in line with educational level. However, while the possession of educational qualifications increases the likelihood of finding a job, it is not an absolute guarantee, especially for young people. Difficulties in breaking into the job market are experienced even by the most highly qualified, as is borne out by the prevalence of unstable first jobs and the number of over-qualified young people.

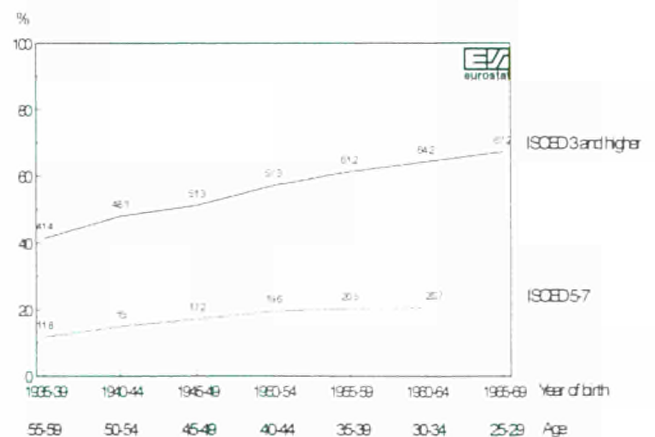
General improvement in education and training levels

In 1994 in the European Union, 57% of those aged between 25 and 59 had an educational level corresponding to at least upper secondary education, an increase of almost two percentage points in relation to 1993.

This proportion varies between 41% for those aged between 55 and 59 and 67% for those aged between 25 and 29. The overall improvement in education levels is attributable to the arrival of young generations with more educational qualifications than their predecessors.

The same phenomenon is observable in higher education, where 12% of the 55-59 age group have graduated as against 21% for the 30-34 age group.

Figure 1:
Percentage of the population aged between 25 and 59 having completed upper secondary education/
higher education by age group - EUR12, 1994



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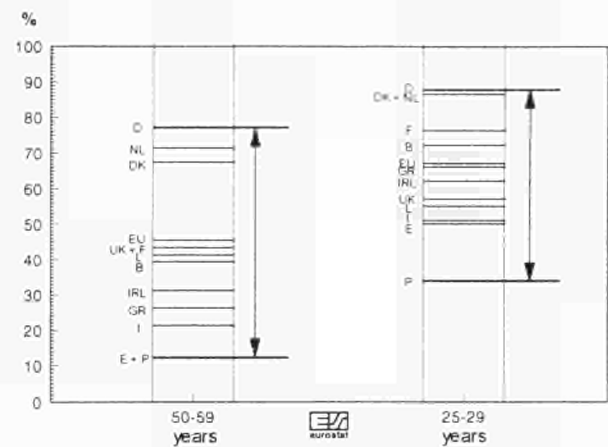
Towards a degree of convergence within the Union ...

The improvement in the level of educational qualifications is particularly marked in Greece, Spain, Ireland, Italy and Portugal. In these countries the proportion of those aged between 25 and 29 having completed upper secondary education is at least twice that of the 50-59 age group.

This major increase in the countries where education levels were very low has brought about a significant reduction in the differences between the Member States.

Within the Union - with the exception of Portugal, where the percentage of people going beyond compulsory education nevertheless tripled - the gap between the two ends of the percentage scale for persons having completed upper secondary education has narrowed by almost half, from 65 for the 50-59 age group to 38 for the 25-29 age group.

Figure 2:
Percentage of the population having completed upper secondary education by age group, 1994



As regards the population having completed higher education, the phenomenon of convergence is less obvious: although the gaps between the countries do not widen, they do not narrow appreciably either.

Nevertheless, in Greece, Spain, Italy and Portugal the proportion of those having completed higher education has doubled between the 30-39 and 50-59 age groups.

Table 1:
Population having completed upper secondary education by age group, 1994 (%)



	25-29 years	30-39 years	40-49 years	50-59 years	25-59 years
EUR 12	67	63	54	45	57
B	72	62	52	39	56
DK	86	82	79	67	78
D	88	87	84	77	84
GR	66	55	41	26	45
E	50	38	22	12	29
F	76	67	58	43	61
IRL	62	54	40	31	46
I	52	47	36	21	38
L	55	52	48	41	49
NL	86	83	78	71	80
P	35	29	20	12	23
UK	57	55	53	43	52

Educational level attained

The various educational levels defined in UNESCO's ISCED classification (International Standard Classification of Education) have been aggregated into three distinct levels:

- ISCED level 0-2 comprises those who have completed at most the first stage of secondary education, which corresponds in most cases to compulsory schooling.

- ISCED level 3 comprises those who have completed upper secondary education.

- ISCED level 5-7 comprises those who have followed a recognised course of post-secondary education leading to the award of a degree or similar qualification.

.... despite genuine local disparities

In the Union as a whole, 59% of the 25-59 age group living in urban areas have completed at least upper secondary education; this proportion falls to 51% in rural areas.

The size of these local disparities varies from one country to another. For example, they are very marked in Greece, where the gap between the different proportions of persons having completed secondary education reaches 39 points, depending on the extent of urbanisation; this gap is also wide in Spain (18 points), Portugal (17), Denmark (13) and Italy (11).

These disparities even appear to be wider among young people. For example, the gap as calculated above increases to 24 points among the 25-29 age group in Spain, to 21 in Portugal and to 13 in Italy.

The disparity between rural and urban areas as regards educational level attained would seem to be the result of a process in which young people are drawn into urban areas containing establishments of higher education and subsequently choose to remain there because jobs are more readily available. The disparities do not, as a result, tend to diminish.

On the other hand, such local disparities are found neither in Germany, nor in the Netherlands, nor in the United Kingdom.

However, with the exception of the latter, differences do emerge when looking at the proportion of the population which has attained a post-secondary level.

Table 2:
Percentage of the population aged between 25 and 59 having completed upper secondary education by extent of urbanisation, 1994

	Urban area	Intermed. area	Rural area
EUR 12	59	57	51
B	55	57	50
DK	85	79	72
D	84	82	84
GR	55	33	16
E	37	24	19
F	64	60	56
IRL	52	-	43
I	43	35	32
L	-	-	-
NL	79	81	80
P	28	18	11
UK	51	55	54

Figure 3:
Gap between the respective proportions of persons aged between 25 and 59 having completed upper secondary education in rural and urban areas, 1994

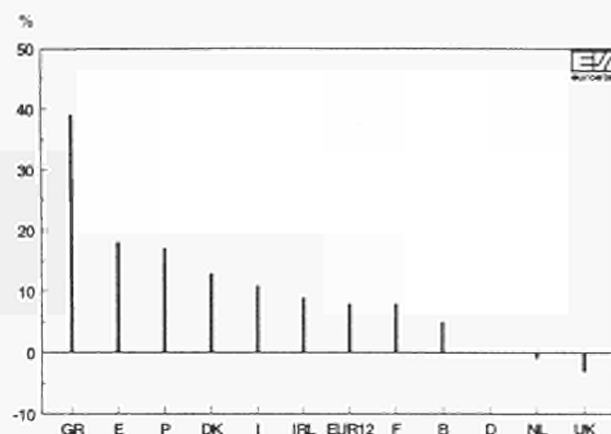


Table 3:
Percentage of the population aged between 25 and 59 having attained a post-secondary level by extent of urbanisation, 1994

	Urban area	Intermed. area	Rural area
EUR 12	21	16	13
B	24	25	21
DK	38	-	20
D	25	20	20
GR	20	10	3
E	21	13	10
F	25	16	12
IRL	23	-	16
I	10	6	5
L	-	-	-
NL	27	17	14
P	14	10	5
UK	21	23	20

The three types of population area can each be defined as physically adjacent sets of local units with the following characteristics:

- urban area: densely populated area (population density in excess of 500 inhabitants per km²)
- intermediate area: population density between 100 and 500 inhabitants per km²
- rural area: sparsely populated area.

Differences in educational level between men and women on the wane ...

Almost half of all women aged between 25 and 59 did not pursue their education beyond the level of compulsory schooling (primary and lower secondary education). This percentage is only 39% for men.

Nevertheless, there are clear signs that this gap is narrowing among the younger generations and that young women are now attaining educational levels as high as those for men. For example, in the 25-29 age group, the same percentage of men as women (67%) successfully completed upper secondary education; the percentage difference between men and women in the 50-59 age group was 15, while in the 40-49 age group it was 10 and in the 30-39 age group it was still 5.

Although the above observation holds true for all the countries of the Union, the extent varies from country to country. In the 50-59 age group, Ireland already has more women than men progressing beyond the compulsory level. This same characteristic can be observed in the 30-39 age group in Denmark and Portugal (with parity in Belgium), and among the younger age group in Belgium, Greece, Spain and Italy.

It can therefore be deduced that educational levels are improving more rapidly among women than among men; the proportion of women having progressed beyond the level of compulsory schooling increases from just over one-third in the 50-59 age group to two-thirds in the 25-29 age group, while the corresponding difference among men is only 15 points.

Figure 4:
Persons having completed upper secondary education by sex and age group - EUR 12, 1994 (%)

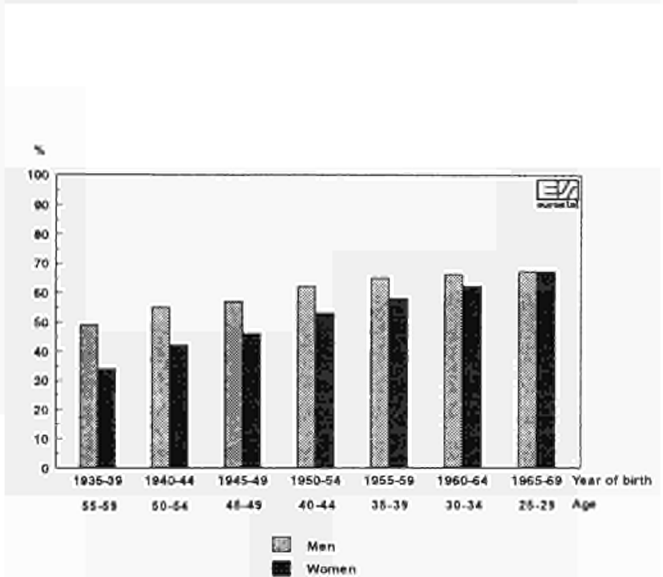


Table 4:
Persons having completed upper secondary education by sex and age group, 1994 (%)

	25 - 29 years		30 - 39 years		40 - 49 years		50 - 59 years		25 - 59 years	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
EUR 12	67	67	65	60	59	49	52	37	61	53
B	70	73	62	62	55	49	45	33	58	54
DK	86	86	82	83	82	76	75	59	81	75
D	90	86	90	85	89	79	85	68	88	79
GR	64	67	57	54	44	37	31	20	47	42
E	47	53	38	37	26	18	16	9	31	27
F	77	76	70	64	62	53	49	37	64	57
IRL	57	67	50	58	37	43	29	33	43	50
I	50	53	48	47	40	31	27	16	41	36
L	57	53	57	46	52	42	50	32	55	43
NL	86	86	86	80	82	74	76	65	83	76
P	29	40	28	29	20	20	14	10	22	23
UK	60	53	62	49	61	46	52	33	59	45

... but the inequality of opportunities linked to the family background persists

Equality of opportunities means giving everyone the chance to move on to the highest levels of education, whatever the socioeconomic or family environment in which they live. However, children's chances of educational success are influenced by the amount of schooling their parents have received.

One way of approaching this problem is to study children's participation in higher education in relation to the level of education attained by their parents, and in particular by the head of household. Within the Union, it would seem that children from families in which the head of household has been in higher education have an almost one-in-two chance of following in his or her footsteps, whereas the chances are reduced to one in three for children from families in which the head of household did not progress beyond compulsory schooling.

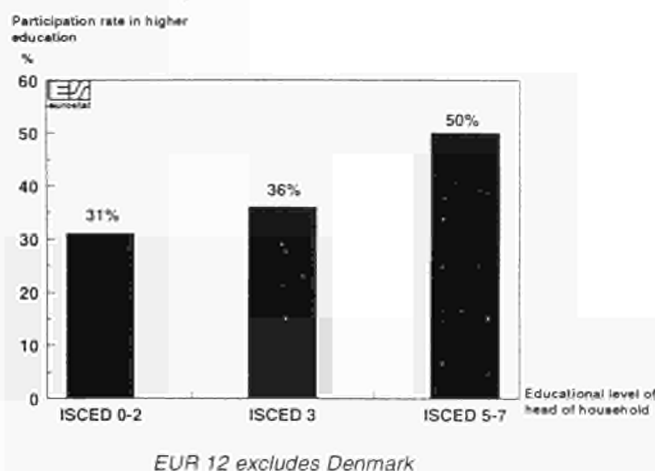
This situation reflects a clear imbalance, and can be observed to a greater or lesser extent in all the countries, with the possible exception of the United Kingdom, where the opportunities of access to education are the most equal.

Table 5:
Percentage of students in higher education among the population aged 18 and over by educational level of head of household, 1994



Educational level of head of household	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	31	36	50
B	40	56	68
DK	-	-	-
D	18	26	40
GR	23	35	47
E	30	43	55
F	26	35	55
IRL	24	40	49
I	36	50	61
L	17	39	49
NL	24	34	42
P	35	48	64
UK	29	28	38

Figure 5:
Participation in higher education according to educational level of head of household - EUR 12, 1994



EUR 12 excludes Denmark

The Labour Force Survey only allows parent-child links to be studied whilst parents and children inhabit the same household. However, the survey results show that nine out of ten students in higher education are children of reference persons for the households surveyed. Hence the relevance of Table 5.

Data at household level are not available for Denmark.

Activity rate increases with educational level attained

The persons with a university degree or similar qualification have the highest activity rate: 91% in the European Union as a whole, compared with 82% for those who have completed upper secondary education and 66% for those whose educational level is that of compulsory schooling at best.

Activity rates represent the labour force (persons in employment and unemployed persons) as a percentage of the population of working age.

Although the above observation holds true for all the countries of the Union, the extent varies from country to country.

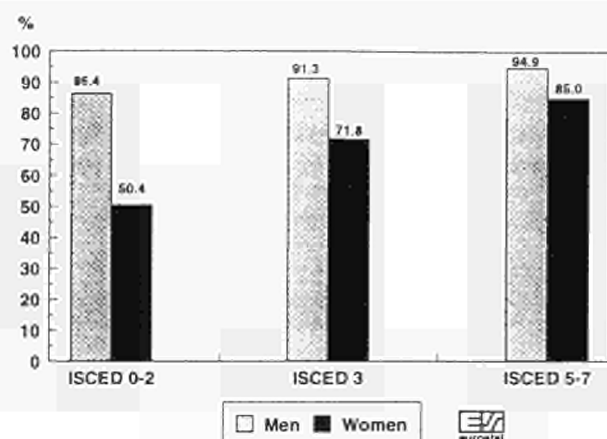
The countries with the greatest differences in activity rates in relation to level of education are the Netherlands and Italy, where the gap separating the least and the most qualified exceeds 30 percentage points.

Table 6:
Activity rates for the 25-59 age group by educational level, 1994 (%)

	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	66	82	91
B	62	81	89
DK	73	87	93
D	66	81	91
GR	65	71	87
E	64	81	89
F	73	87	90
IRL	61	73	87
I	59	79	90
L	64	78	82
NL	57	77	89
P	76	87	95
UK	74	86	92

This phenomenon is even more marked for women than for men; whereas the activity rate for the least-qualified women is barely 50%, it is 85% for women with higher qualifications (the corresponding rates for men are 86% and 95% respectively).

Figure 6:
Activity rates for men and women aged 25-59 by educational level - EUR12, 1994



Overall, the differences in activity rates between the most and the least qualified show signs of diminishing with the younger generations, except in the United Kingdom and Denmark, where they remain of comparable magnitude irrespective of age. In Greece, the most significant differences relate to the middle generations (35-49). In fact, this convergence observed in the majority of the Member States is largely attributable to the male population, for which the difference between the activity rates for the most and least qualified decreases from 17.1 points for the 55-59 age group to 0.9 for the 25-29 age group; the differences recorded for women are of the order of 30 points whatever the age group.

Table 7:
Difference between activity rates of persons having completed higher education and of those having completed compulsory education by age group - EUR 12, 1994

	Total	Men	Women
55 - 59 years	28.7	17.1	28.6
50 - 54 years	27.8	12.1	34.8
45 - 49 years	23.4	6.9	33.7
40 - 44 years	21.0	6.1	30.8
35 - 39 years	18.7	4.5	28.9
30 - 34 years	18.6	3.7	31.2
25 - 29 years	15.1	0.9	29.5

Activity rates are higher for men than for women. Nevertheless, analysis of the differences according to level of education shows that the higher the level, the narrower the divergences are between the activity rates. The differences recorded are 36 points for the lowermost levels, 20 among those educated to upper secondary level and 10 for those who have completed higher education.

Table 8:
Difference between activity rates of men and women aged 25-59, by level of education attained, 1994



	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	36	20	10
B	36	21	10
DK	17	9	5
D	32	18	11
GR	48	41	11
E	48	25	11
F	24	16	10
IRL	52	38	18
I	48	22	10
L	43	33	29
NL	35	29	12
P	27	10	2
UK	23	15	9

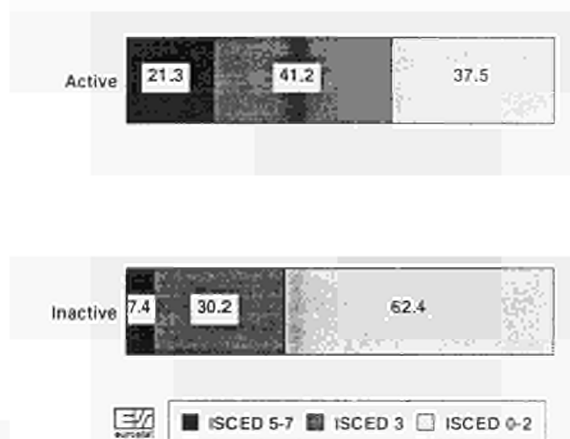
The narrowing of these differences is observable in all countries and is particularly marked in Greece, Spain, Italy and Ireland, countries where the activity rate of the lowest-qualified women is low (between 33 and 43%).

It is also interesting to note the homogeneity of the differences for the higher levels of education (eight countries have differences between 9 and 12) and the virtual parity of activity rates of the highest-qualified men and women in Portugal and in Denmark.

As a result of demographic trends there is now a clear need to mobilise labour forces in the Union.

But it appears that low educational levels can count for a great deal in nonparticipation in the labour force. In this respect, comparison of the respective distributions of the levels of education of the active and inactive population is significant. It can be seen that the highest-qualified account for little more than 7% of the inactive population, but 21% of the working population. Conversely the lowest-qualified represent around two-thirds of the inactive and slightly over one third of the active population.

Figure 7:
Distribution of level of education amongst the active and inactive populations aged 25-59 - EUR12, 1994



The effect of the level of education on participation in the labour force can be seen in all countries, with comparable intensities. Belgium nevertheless has the widest spread: one active person in three has at best the minimum compulsory level of education, against two out of three for the inactive.

In Portugal and Italy, moreover, fewer than 3% of the inactive population have a higher education qualification.

Qualifications improve the chances of finding a job

In general, the chances of finding a job rise with the level of education attained.

In 1994, in the European Union, the unemployment rate of persons with a higher education qualification was 6.1%, against 8.8% for persons who had completed upper secondary level and 13.2% for those who had at best the minimum compulsory schooling.

The differences in the unemployment rates between the least-qualified and the highest-qualified are tending to widen; 7.1 points in 1994, compared with 6.5 in 1993.

Higher education qualifications seem to protect from unemployment in most countries. Ireland has the most significant difference between the unemployment rates of the highest and least-qualified: 15.7 points; it is also relatively high in Germany: 9.5 points.

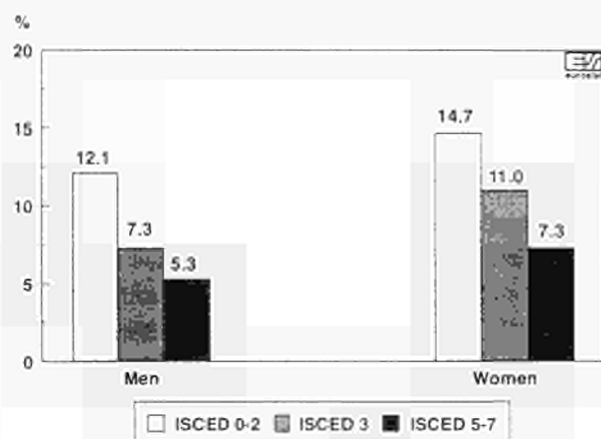
Nevertheless, some countries present substantial differences. In Portugal, and even more in Greece, unemployment affects more those whose highest level of attainment is upper secondary education; in Luxembourg, the situation is even more remarkable: graduates have a higher unemployment rate than those who concluded their studies with upper secondary education.

Table 9:
Unemployment rates of 25 - 59 year-olds by level of education, 1994

	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	13.2	8.8	6.1
B	12.5	7.5	3.7
DK	12.6	8.3	4.6
D	14.8	8.9	5.3
GR	6.2	8.3	5.3
E	22.4	20.0	15.1
F	14.8	9.7	6.6
IRL	21.0	9.1	5.3
I	9.3	7.4	6.1
L	3.7	1.9	2.4
NL	12.6	7.7	5.5
P	6.1	6.4	2.4
UK	11.2	7.9	4.1

The rate of unemployment among women is generally higher than that among men, regardless of the level of education. However, the fact of having a degree has an even greater effect on the risk of unemployment for women than for men: the divergence between the unemployment rate of the least-qualified and the most-qualified women is 7.4 points, against 6.8 for men.

Figure 8:
Unemployment rates of 25-59 year-olds by sex and level of education, EUR12, 1994



The trend is bucked only in Germany and the United Kingdom. There, the effect of a degree on the risk of unemployment is stronger for men than for women: the differences between the unemployment rates of the least-qualified and of the highest-qualified being 11 points for men and 7 for women in Germany, and 10 points for men and 5 for women in the United Kingdom.

The "unemployed" are those persons without employment who are actively seeking a job and are willing to start work immediately.

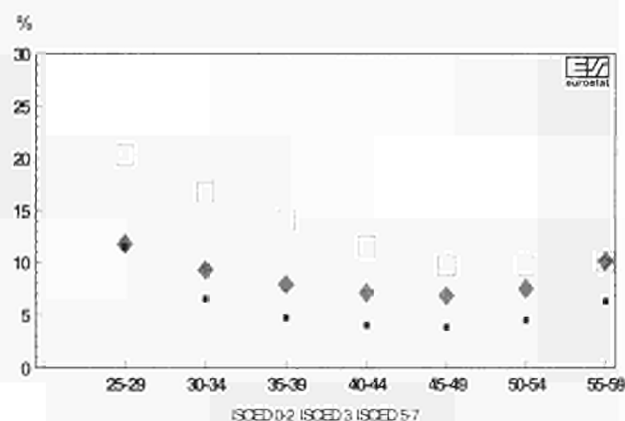
The "long-term unemployed" are those who have been unemployed for more than 12 months.

The unemployment rate is the number of unemployed as a percentage of the labour force.

Unemployment rate differences according to level of education are greatest amongst young people: up to 10 points for those aged 30-34. It seems probable that thereafter, experience carries more weight as compensation for the lack of qualifications and acts as a factor reducing the risk of unemployment.

This situation, although common to all Member States, masks certain specific features. For example, unemployment is highest among young graduates in Greece and especially in Italy (one young person in four).

Figure 9:
Unemployment rates by age, according to the highest qualification attained, EUR12, 1994



For the latter, it is interesting to note that the unemployment rate of the best qualified falls from 26.5% for 25-29 year-olds to 2.2% for 35-39 year-olds and less than 1% for 40-49 year-olds.

More generally, qualifications do not seem to be a watertight guarantee against unemployment. Indeed, the unemployment rate of young graduates is 11.5% for the Union as a whole.

In the same way that the possession of a degree reduces the risk of unemployment, the higher the level of education, the lower the risk of longterm unemployment. This is observable everywhere in the Union except Spain, where the proportion of longterm unemployed is highest amongst the best-qualified, and Italy where it is highest amongst those who concluded their studies with upper secondary education.

Table 10:
Percentage of long-term unemployed amongst all unemployed aged 25 to 59, by educational level attained, 1994

	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	54	48	44
B	69	62	49
DK	39	37	35
D	50	46	42
GR	49	55	55
E	55	59	58
F	48	39	32
IRL	68	56	41
I	59	67	56
L	38	38	22
NL	53	50	43
P	48	48	30
UK	54	47	35

A separate category exists in the inactive population for those who declare that they are not seeking work because they believe that no job is available; these persons, officially classed as "discouraged," are not included among the unemployed. In the Union except in Germany where they are not counted they total slightly more than 560 000, three-quarters of whom achieved at best the minimum compulsory school attendance.

Entering the labour market is difficult

The transition from education to the first job is increasingly a period of experimentation in which the quest for stability and professional recognition are two of the main goals young people seek to achieve.

Looking for a steady job ...

Within the total paid employment of the Union, the proportion of fixed-term contracts ranges from 6.0 to 9.5% according to level of education. That of the least-qualified is almost identical to that of graduates. In fact, only in Greece and Spain does the fact of having a degree offer any protection from insecurity of employment.

Table 11:
Percentage of employees aged 25 to 59 with a fixed-term contract of employment, according to educational level attained, 1994

	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	9.5	6.0	9.0
B	3.0	2.7	5.4
DK	8.2	6.3	9.5
D	5.4	5.3	7.6
GR	12.9	6.1	6.1
E	31.7	23.0	20.5
F	7.7	7.1	8.9
IRL	7.8	6.0	6.5
I	6.8	4.5	7.0
L	1.2	1.5	2.7
NL	7.7	6.6	8.4
P	6.6	6.9	6.2
UK	4.0	4.5	8.3

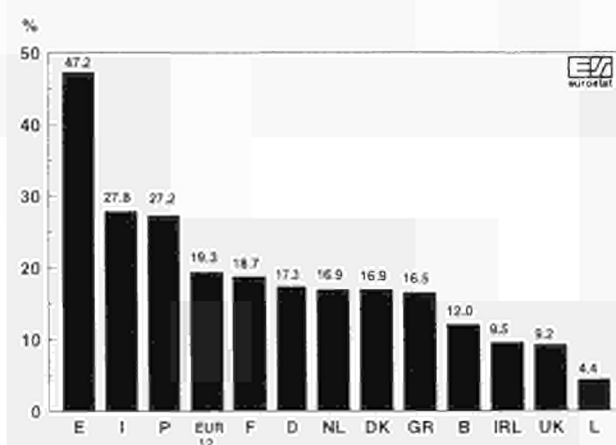
Table 12:
Percentage of employees with a fixed-term contract by educational level attained and age group - EUR 12, 1994

	ISCED 0-2	ISCED 3	ISCED 5-7
25 - 29 years	15.6	10.2	19.3
30 - 34 years	12.0	6.9	10.7
35 - 39 years	10.1	5.3	7.1
40 - 44 years	8.5	4.3	5.7
45 - 49 years	7.0	3.7	4.4
50 - 54 years	6.4	3.9	4.3
55 - 59 years	5.8	3.9	4.8

The analysis by age group reveals in all countries a relatively high proportion of fixed-term contracts among higher-qualified young people aged from 25 to 29. In fact almost one employee in five aged 25-29 years with a degree has a temporary contract.

This proportion very often exceeds 10%, is more than 25% in Italy and Portugal and almost 50% in Spain. Graduates' first jobs are increasingly a trial period where they must first gain experience in order to lay claim to more stable posts.

Figure 10:
Percentage of graduate employees aged 25 to 29 with a fixed-term contract of employment, 1994 (%)



In general, the duration of fixed-term contracts increases with the level of education; of EU employees with a temporary contract, graduates are twice as likely to have contracts of more than a year than those with lower qualifications.

Table 13:
Percentage of contracts for a fixed term of a year or more, according to educational level attained, 1994

	ISCED 0-2	ISCED 3	ISCED 5-7
EUR 12	19.7	28.8	37.1
B	39.8	42.3	41.7
DK	19.4	25.7	33.6
D	38.9	42.6	57.7
GR	22.8	31.7	36.0
E	16.9	15.9	20.1
F	12.7	15.1	22.5
IRL	35.1	41.7	43.9
I	20.7	32.3	32.5
L	36.4	39.5	50.7
NL	23.5	25.0	30.6
P	16.6	17.0	18.7
UK	35.0	29.3	47.5

Belgium, Spain and Portugal are the countries where the duration of temporary contracts is most consistent across the levels of education.

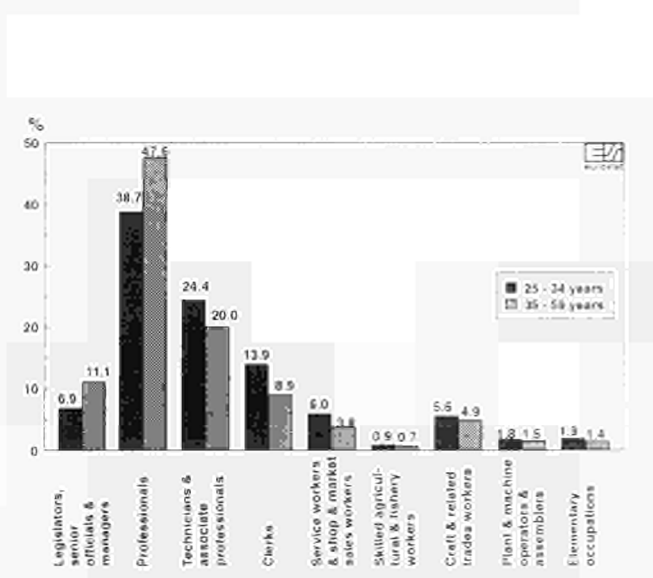
Other figures confirm this relationship between job instability and level of education: among employees with a temporary contract, half the less qualified have a contract of less than six months, compared with only a quarter of the better-qualified.

... and the recognition of skills

One of the interesting phenomena to analyse when comparing occupation and level of education is that of overqualification. Faced with the difficulty of finding work, young graduates very often occupy jobs for which they are overqualified.

For example, in the European Union, almost 14% of graduates aged from 25 to 34 are in clerical jobs. 6% are technicians or sales staff, and almost another 6% work in manual or craft trades. This phenomenon tends to diminish with age: beyond 35 years, the same three categories count respectively for only 9%, 4% and under 5% in the employment of graduates.

Figure 11:
Graduates by occupation, EUR12, 1994 (%)



Conversely, access to jobs with high responsibility (senior and middle management, intellectual and scientific professions) rises from 46% to 59% between these two age ranges.

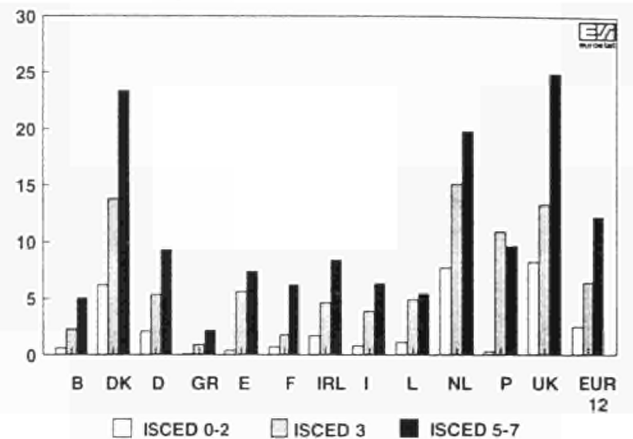
The nomenclature of occupations (ISCO-88 COM) used for the Community Labour Force Survey is based on ISCO-88, the International Labour Office's International Standard Classification of Occupations (ILO, Geneva, 1990)

Continuing education and training

Among the employed, continuing education and training programmes are of most benefit to those with the highest levels of education. In the European Union, 12.2% of employed persons with a higher education qualification took part in continuing education and training, compared with 6.4% of those with post-compulsory secondary education and 2.5% of the least-qualified.

Denmark, the Netherlands and the United Kingdom stand out as the countries where the least-qualified have most chance of reaching continuing education and training programmes (between 6 and 8% of them) but also where the difference in participation between the highest and lowest-qualified is greatest.

Figure 12:
Percentage of employed persons taking part in a continuing education and training programme by educational level attained, 1994



Methodology

The statistics set out in the report result from the exploitation of data collected in the European Labour Force Survey (LFS) conducted in 1993 and 1994. This survey, the leading source of data on employment and unemployment in the European Union, covers the entire population of the Union other than those living in shared accommodation hostels, halls of residence, hospitals, religious communities, etc.

The Labour Force Survey has been held every year since 1983. It includes a question on the level of general education attained, and another on higher education or vocational training (see *Labour Force Survey: Methods and Definitions 1992 series*). Combining the responses to these two questions, Eurostat has developed a variable 'Level of education and training attained' which permits vocational education and training to be taken into account in evaluating the level of education attained by the respondent. This accounts for a relative over-estimation of the data in comparison with other sources on the same subject, in countries where vocational training is at a more advanced stage of development.

It should be noted that

- Ireland's national questionnaire contained no question on the level of vocational education and training; additionally the 1994 data on Ireland were not available at the time this report went to press. The latest data consequently relate to 1993;

- Harmonised data on the three Member States which joined the Union on 1 January 1995 were not available for 1994.

For further information

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See also the following Eurostat publications

Education across the European Union - Statistics and indicators
Labour Force Survey - Results
Labour Force Survey - Methods and Definitions - 1992 series