



**Employability in Programme Development:** Establishing a labour market to higher education feedback loop drawing on local labour market intelligence

## **ERASMUS+: Employability in Programme Development (EPD) Project**

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**Contributing authors:** Stefano Fusaro<sup>§</sup> & Rosario Scandurra<sup>§</sup>

**Author affiliation:** §Universitat Autònoma de Barcelona (UAB)



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## A Contextual and Place-based Perspective of Young Graduates Employability

Stefano Fusaro, Rosario Scandurra  
*Department of Sociology*  
*Universitat Autònoma de Barcelona*

### 1. Introduction

The recent global economic crises and the social problems associated with unemployment, particularly for younger people, have reinvigorated the public debate around the role that higher education institutions (HEIs) can play in increasing the employability of young graduates. There is increasing pressure for HEIs to adapt their curricula and introduce elements of employability in a way that, on the one hand, reflects the recent developments in the field of knowledge, and, on the other, aligns them with the needs of increasingly dynamic (local) labour markets. Over the last decades, employability support units in higher education have flourished prompted by the pressure to enhance graduate employment skills, a measure which has also been highlighted in several EU documents, including the 2016 Skills Agenda. Significantly the Bologna declaration, one of the most relevant employability initiatives in the European higher education sector, promotes lifelong-learning and competence-based education. In this context, higher education institutions are assumed to upgrade their role from being providers of knowledge that increases the human capital endowment of their students, to become providers of work-ready skills, as well as train and prepare graduates to have a successful school-to-work transition experience. HEIs are also asked to engage more directly with external stakeholders, in order to identify the skill shortages and to provide work-ready graduates endowed with the required set of skills. As recognized by the European Commission (2017, page 2), which has proposed to “stimulate further development and exploitation of different forms of graduate tracking mechanisms”, one obstacle for improving graduate attributes and employability outcomes is a lack of available information on skills demand that might feed the academic and administrative staff working on programme and course development. In this sense, the objective of this document is to provide a glance of the evolution of the labour market and skill environment of each participating HEIs with available data.

### 2. The structure of the labour markets in the 4 participating regions

In this section, we provide evidence on the evolution of the local labour markets in the regions under analysis. We will refer largely to regions as these are the units most widely comparable across EU territories by means of the EU Labour Force Survey. We discuss the available sources and the existing limits in the report “Data and Indicators on Skills Gaps”. We initially present some evidence on the supply side, that is the population of young graduates who *supply* their labour by entering in the labour market. Then, we move to the demand side, where we examine the main labour market outcomes of graduates.

#### 2.1. Supply side

First, we provide evidence of the enrolment rates over the period 2013-2019 in the regions of interest of the EPD project, namely Brussels region (for Brussels), Catalonia (for Barcelona), South-East England (for Reading) and Scotland (for Glasgow), for the age cohorts 15-19 and 20-29. Table 1 highlights that the demographic group composed of people aged 15-19 is characterized by considerably higher enrolment rates: on average 100% in the Brussels region, 86% in Catalonia, 82% in South-East England and 89% in Scotland. Interestingly, lower values are reported for the 20-29 age group: 35% in the Brussels region, 31% in Catalonia, 23% in South-East England and 24% in Scotland.

Table 2 reports instead the share of graduates in tertiary education over the total population in the 20-24 age cohort. The higher share is reported in Brussels, with an average of around 9.5%, while considerably lower is the value for Catalonia (less the 5% on average). Unfortunately, the information for Berkshire and South-Western Scotland is not available.

*Table 1: Enrolment rate by age groups.*

	2013	2014	2015	2016	2017	2018	2019
<b>BRUSSELS</b>							
age 15-19	100	100	100	100	100	100	100
age 20-29	33.1	33.8	33.8	34.4	34.4	28.7	44.9
<b>CATALONIA</b>							
age 15-19	85.4	85.9	86.4	87.3	87	86.2	85.5
age 20-29	27.7	29.5	31.6	32	32.1	31.8	30.8

<b>SOUTH-EAST ENGLAND</b>							
age 15-19	78.8	84	80.1	82.5	82	81.5	81.8
age 20-29	22.7	24	23	25	21.6	21.5	23
<b>SCOTLAND</b>							
age 15-19	82.3	81.3	82.3	94.2	96.6	98.8	89.4
age 20-29	20.2	22	22.7	25.2	25.7	26.4	23.2

Source: OECD Regions & Cities

Table 2: share of graduates in tertiary education over population in the 20-24 age group.

	2013	2014	2015	2016	2017	2018	2019
<b>Brussels</b>	9.4	9.6	9.9	9.3	9.8	9.2	9.5
<b>Catalonia</b>	4.3	4.4	4.4	4.6	4.8	4.9	5.0
<b>Berkshire</b>	-	-	-	-	-	-	-
<b>South-West Scotland</b>	-	-	-	-	-	-	-

Source: Eurostat

Table 3 shows the share of students in higher education over the total population at the city-level. On average, the higher value is reported for Barcelona (111 over 1000 inhabitants), while fairly lower are the value for Glasgow (101 over 1000 inhabitants) and Brussels (83 over 1000 inhabitants). Again, the information for Reading is not available.

Table 3: Share of students in higher education over the total population (per 1000 persons).

	2005	2008	2011	2014	2017	2020	Δ '20-'05
<b>Brussels</b>	76	74	78	85	90	95	19
<b>Barcelona</b>	103	100	-	-	130	-	27*
<b>Reading</b>	-	-	-	-	-	-	-
<b>Glasgow</b>	96	96	100	101	115	-	19*

Source: Eurostat (\* these figure are computed as difference between 2017 and 2005, since information for 2020 is not available)

Table 4 reports the evolution over time of the share of population aged 25-34 with different levels of educational attainments over the period 2005-2020. The table reveals education expansion in fact in all regions the proportion of people with less than upper-secondary and upper-secondary education reduced between 2005 and 2020. Conversely, the number of people with tertiary education experience shows increasing trends. These figures indicate that the population of the regions under analysis progressively invested in tertiary education.

Table 4: Share of population aged 25-34 by educational attainment

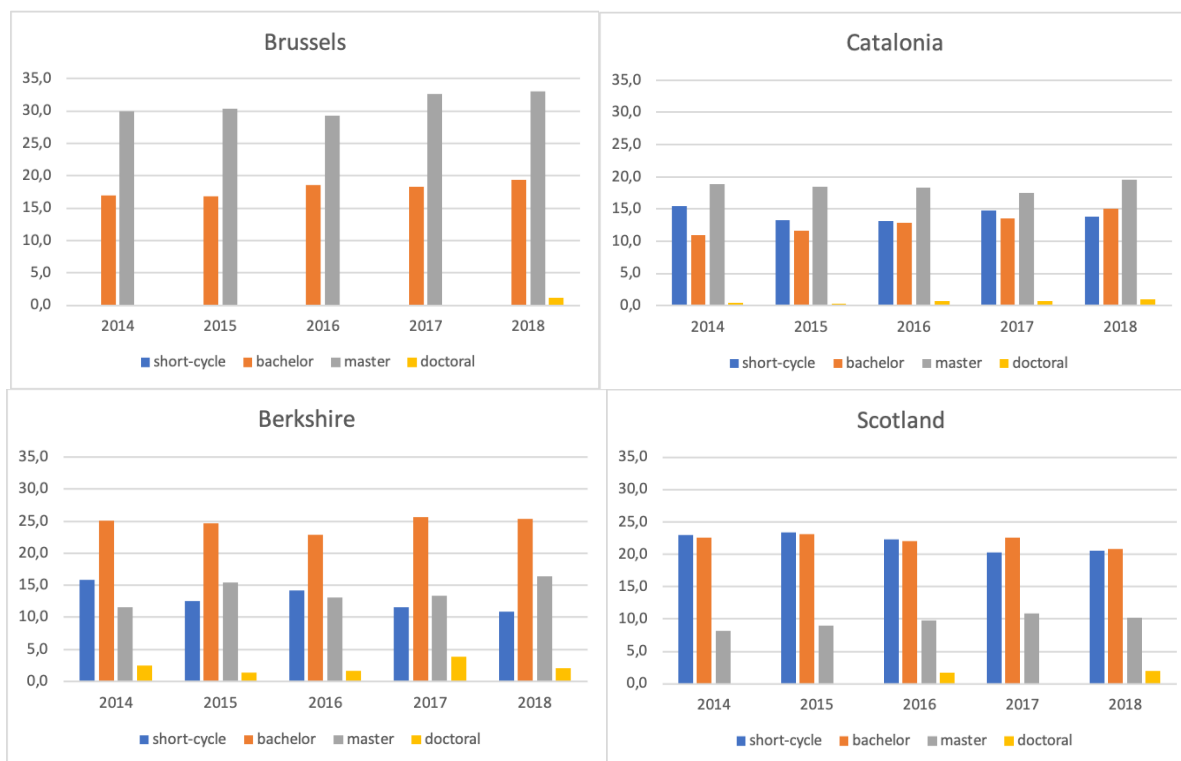
	2005	2008	2011	2014	2017	2020	Δ '20-'05
<b>BRUSSELS</b>							
below upper-secondary	23.9	26.2	27.2	26.3	20.9	20.4	-3.5
upper- post-secondary	28.5	28.9	26.8	25.4	27.3	23.7	-4.8
tertiary	47.7	44.9	46.0	48.2	51.8	55.9	8.2
<b>CATALONIA</b>							
below upper-secondary	34.9	34.2	34.0	34.5	33.3	28.5	-6.4
upper- post-secondary	23.4	25.0	25.3	19.7	20.1	19.7	-3.7
tertiary	41.7	40.8	40.8	45.9	46.6	51.8	10.1
<b>BERKSHIRE</b>							
below upper-secondary	16.6	14.4	11.2	12.0	9.9	-	-6.7*
upper- post-secondary	40.4	42.1	37.4	33.0	35.8	-	-4.6*
tertiary	43.0	43.5	51.4	55.0	54.2	-	11.2*
<b>SOUTH-WESTERN SCOTLAND</b>							
below upper-secondary	24.0	19.0	14.6	12.4	15.5	-	-8.5*
upper- post-secondary	39.0	37.4	33.6	35.6	34.4	-	-4.6*
tertiary	37.0	43.6	51.8	52.1	50.2	-	13.2*

Source: Eurostat (\* these figure are computed as difference between 2017 and 2005, since information for 2020 is not available)

Related to the last point, by using information drawn from the OECD regional database, it is possible to disentangle the evolution of the different levels of tertiary education i.e., short-cycle, bachelor's degree, master's degree and doctoral level. Specifically, figure 1 reports the share of population aged 25-34 with different levels of tertiary education in the regions of interest over the period 2014-2018. In all regions (except in the Brussels region for which information is not available), the figures indicate that short cycle tertiary education has experienced a drop over the period analyzed (from 15.5% to 13.8% in Catalonia, from 15.9% to 10.9% in Berkshire, and from 22.9% to 20.5% in Scotland). The share of people with master's degree has instead experienced more fluctuations over the period considered, although in all regions the level of 2018 is always higher compared to 2014. As for the proportion of people with bachelor's degrees, between 2018 and 2014 there is an increasing trend in the Brussels region (+2.4%) and Catalonia (+4%), it is fairly stable in Berkshire (+0.4%) and slightly decreases in Scotland (-1.8%). Finally, the share of people with doctoral degree has

been relatively stable over time. The figure also suggests that in the Brussels region and Catalonia most individuals in the 25-34 age group have at least a master's degree, while in Berkshire and Scotland the larger share is represented by people with bachelor's degree or short-cycle tertiary education (particularly in Scotland).

Figure 1: Share of population aged 25-34 with tertiary education



Source: OECD Regions & Cities

## 2.2. Demand side

This section provides information on the demand side of the labour market of the regions under analysis. To this extent, table 5 below presents the evolution over time of the employment rates by levels of education for the population in the 20-34 age cohort. More in details, panel A shows the overall employment rate. Not surprisingly, irrespective of the region considered, the higher in the educational attainment, the higher is also the employment rate. Indeed, the average employment rate for people with tertiary education is 83% in the Brussels region, 85% in Catalonia, 90% in Berkshire and 88% in Southwestern Scotland. Conversely, the cross region average employment rate for people with upper secondary education is 75%, with a maximum of about 84% in Berkshire and a minimum of 62% in the Brussels region. Even lower is the cross-region average reported for people with less than upper-secondary education which is around 59%, again with a maximum of about 69% in Berkshire and a minimum of 45% in the Brussels region.

Panel B shows instead the evolution of the youth employment rates, 3 years after the completion of highest level of education. As in the previous panel, the higher employment rates are those reported for people with tertiary education, whose cross-country average over the period considered is 84%. Almost 20% lower is instead that reported for people with upper-secondary education, which is around 66%. Finally, in the case of people with less than upper-secondary education, EUROSTAT only report information on Catalonia for the period 2005-2011, where the average employment rate is almost 77%.

Table 5: Employment rates of young people (20-34) not in education nor training by educational attainment

	2005	2008	2011	2014	2017	2020	Δ '20-'05
<i>Panel A: total</i>							
<b>BRUSSELS</b>							
below upper-secondary	44.7	50.3	44.7	46.2	46.1	37.7	-7.0
upper- post-secondary	61.3	64.4	58.5	61.0	56.7	68.8	7.5
tertiary	84.2	84.1	82.1	81.5	83.9	82.0	-2.2
<b>CATALONIA</b>							
below upper-secondary	77.0	73.1	63.6	59.0	64.0	60.4	-16.6
upper- post-secondary	84.9	81.5	69.9	71.5	75.4	68.0	-16.9
tertiary	88.4	91.2	81.3	81.6	84.5	84.3	-4.1
<b>BERKSHIRE</b>							
below upper-secondary	68.4	65.3	63.5	82.1	65.5	-	-2.9*
upper- post-secondary	84.4	85.9	81.1	77.3	90.3	-	5.9*
tertiary	90.8	93.6	83.9	91.1	91.5	-	0.7*
<b>SOUTH-WESTERN SCOTLAND</b>							
below upper-secondary	56.4	53.2	50.8	61.6	61.6	-	5.2*
upper- post-secondary	82.5	77.8	73.8	77,4	84.6	-	2,1*
tertiary	95.2	86.8	81.6	84.9	91.1	-	-4.1*
<i>Panel B: 3 years after completing highest education level</i>							
<b>BRUSSELS</b>							
below upper-secondary	-	-	-	-	-	-	-
upper- post-secondary	57.6	56.9	49.7	48.2	52.6	53.7	-3.9
tertiary	82,5	84,7	79,6	80,3	83,3	78,1	-4,4
<b>CATALONIA</b>							
below upper-secondary	72.5	90.0	68.1	-	-	-	-
upper- post-secondary	73.4	69.3	55.1	51.1	67.2	40.7	-32.7
tertiary	87,5	89,4	72,8	74,7	77,7	89,0	1,5
<b>BERKSHIRE</b>							
below upper-secondary	-	-	-	-	-	-	-
upper- post-secondary	82.4	84.5	76.1	63.4	89.8	-	7.4*
tertiary	87,1	92,8	85,3	91,7	88,2	-	1,1*
<b>SOUTH-WESTERN SCOTLAND</b>							
below upper-secondary	-	-	-	-	-	-	-
upper- post-secondary	-	70.3	69.5	-	83.9	-	-
tertiary	94,5	82,9	78,1	79,3	91,9	-	-2,6*

Source: Eurostat (\* these figure are computed as difference between 2017 and 2005, since information for 2020 is not available)

Along the same lines, the following table presents an overview of the unemployment rate for people aged 25-34. On average, the regions characterized by the larger unemployment rates of their population are Brussels, with an average of 17%, and Catalonia, where, on average, around the 14% of individuals in the 25-34 age group are unemployed. Conversely, both Berkshire and South-Western Scotland report lower values (their average youth unemployment rate is 3 and 6%, respectively). Moreover, Catalonia is also the only that experienced an increase in the unemployment rate between 2005 and 2020 (around 8%), while in the other cases the figures identify a drop.

Table 6: Unemployment rates for people aged 25-34

	2005	2008	2011	2014	2017	2020	Δ '20-'05
<b>Brussels</b>	18,6	17,4	19,6	18,9	14,6	13,6	-5,0
<b>Catalonia</b>	7	9,3	19,6	20,5	13,9	15,1	8,1
<b>Berkshire</b>	3,1	3,7	4,8	2,8	2,2	-	-0,9*
<b>South-West Scotland</b>	6,8	6	9,2	5,8	3,6	-	-3,2*

Source: Eurostat (\* these figure are computed as difference between 2017 and 2005, since information for 2020 is not available)

Finally, the last table reports the evolution of the share of young people neither in employment nor in education or training (i.e., NEET rate). On average, the larger values are those for the Brussels region (19.8%) and Catalonia (19.4%), although the first has experienced a reduction of almost 9% between 2005 and 2020, while the second an increase of almost 7%. South-Western Scotland reports an average of 16%, which, however, is particularly driven by a spike in 2011, and which has experienced a moderate increase of 1% between 2005 and 2017. Finally, far behind lags the Berkshire region with an average of slightly less than 12% (again particularly driven by a quite sharp increase in 2011), and with an increase of around 3% between 2005 and 2017.

Table 7: NEET rates for 18-24 age cohort

	2005	2008	2011	2014	2017	2020	$\Delta$ '20-'05
<b>Brussels</b>	22.7	20.2	23.6	20.2	17.7	14.1	-8.6
<b>Catalonia</b>	14.4	17.5	23.9	23.0	16.2	21.1	6.7
<b>Berkshire</b>	7.3	12.1	16.4	12.4	10.7	-	3.4*
<b>South-West Scotland</b>	12.2	16.6	21.7	16.9	13.2	-	1.0*

Source: Eurostat (\* these figure are computed as difference between 2017 and 2005, since information for 2020 is not available)