Labor Market Effects of Field of Study in Comparative Perspective

This paper provides one of the first systematic comparative analyses of labour market consequences associated with fields of study. Using data of 22 countries from the European Union Labour Force Survey (2004 and 2005), we begin by describing the distribution of university graduates across fields as well as the typical labour market outcomes they attain in terms of unemployment risk and occupational status. The distribution across fields suggests cross-national differences in the approach to educational expansion. In terms of labour market outcomes, graduates from the humanities, law and social sciences generally face the highest unemployment risks among university graduates. However, they also attain above average occupational status.

In multivariate analyses we seek to explain, why different fields of study are associated with different labour market rewards across countries. Our core hypothesis is that relative differences between fields should increase with educational expansion at the university level. We draw on human capital, signaling and closure-theoretic explanations to conceptualise the effect of educational expansion on the labour market value of degrees from different fields of study. Results of multilevel two-step regressions generally confirm our expectations. The more students graduate from universities, the greater the differences in labour market chances of university graduates from different fields. Relative to graduates from other fields, particularly individuals with a humanities, social science or law degree have a significantly higher unemployment risk and attain lower occupational status in countries with a high share of university graduates on the labour market.