Employment Growth Among Sectors in the United States, Japan, and Europe Based Upon Educational Attainment

Bureau of Labor Statistics
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Abstract

Employment growth in the United States outpaced that of Japan and Europe between 1980 and 1996. The number of jobs in sectors requiring higher levels of education grew at roughly comparable rates in these economies. Thus, differences in job creation rates have often been driven by differences in sectors requiring lower levels of educational attainment.

In 1996, employment in the United States was more than 27 percent greater than in 1980. In Japan, employment grew about 15 percent over the period, while in the major economies of Europe, (France, West Germany, Italy, and the United Kingdom) there had been little net increase—about 3 percent. (See table.) Employment growth among these nations varied over time, however, and there were important compositional differences in terms of sectors.

Keywords
education, employment, growth, national, job creation, Economic Cooperation and Development

Comments

Suggested Citation

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In the United States, the period began far less auspiciously than it ended. From 1981 to 1982, employment actually dropped as a deep recession reached its trough. The economy recovered in 1983, and employment growth accelerated in 1984, then settled into a prolonged upward movement. In 1991, the economy again suffered job losses, followed this time by 2 years of sluggish growth before regaining a job growth rate that resembled the rates prevailing in the mid-1980s.

In Japan, there has been less variability of economic performance. There was no downturn of employment in the early 1980s and the period of moderate growth extended further into the 1990s before flattening into a prolonged period of sluggishness. In Europe, downturns in the early 1980s and 1990s were less abrupt but more prolonged than those in the United States. As of 1996, there was little recovery in employment visible in the aggregate of the four major European economies.

One interesting dimension underlying these comparative growth trends has been the level of educational attainment embodied in the jobs created. In the United States from 1980 through 1996, there was an annual rise of 2.6 percent in economic sectors with high educational attainment—those in which 30 percent or more workers have college degrees—and an annual rise of 0.9 percent in sectors with lower levels of educational attainment. In Japan there was a similar pattern, although both growth rates were fractionally lower—2.5 percent for higher-attainment industries and 0.8 percent in lower-attainment sectors. (See chart.)

In Europe, there were somewhat different developments. Although rates of growth in sectors with higher educational attainment were somewhat lower in all four major economies than in the United States or Japan, the major difference was not found among such jobs. In all four of these nations, there was an absolute decline in employment in lower attainment sectors between 1980 and the mid-1990s. The number of lower attainment sectors in the United Kingdom, went down 0.7 percent per year.
year from 1980 to 1996, and declined 0.4 percent in Italy. In France and Germany, where comparable statistics are available for 1980 through 1993, employment in the lower-attainment sectors fell by 0.9 percent and 0.1 percent per year, respectively.

As a result, the composition of employment registered different patterns of change across these countries. In Europe (excluding West Germany), the tilt toward sectors with higher educational attainment was quite pronounced. The patterns of composition showed marked increases, from 1980 to 1993 or 1996, of about 10 percentage points in the share of the employed that worked in sectors having higher concentrations of college graduates.

In the United States, Japan, and West Germany, the tendency to increased share of employment in industries requiring higher educational attainment levels was relatively muted. In the United States, 40.6 percent of the employed worked in sectors with high educational attainment. By 1996, this share was 47.4 percent. In West Germany, high attainment sectors accounted for 31.7 percent of employment in 1980 and 38.2 percent in 1993, the most recent year for which data are available. In Japan, 28.2 percent of the employed in 1980 were in high attainment sectors. By 1996, this share had edged up to 33.9 percent, but Japan had exchanged places with Italy at the bottom of the table, despite having a faster growth rate of jobs in high-attainment sectors.

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Employment in the United States, Japan, and Europe¹, 1980-96
(In thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>Japan</th>
<th>Europe</th>
<th>Year</th>
<th>United States</th>
<th>Japan</th>
<th>Europe</th>
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<tbody>
<tr>
<td>1980</td>
<td>99,303</td>
<td>54,600</td>
<td>92,800</td>
<td>1989</td>
<td>117,342</td>
<td>60,500</td>
<td>96,170</td>
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<td>100,397</td>
<td>55,060</td>
<td>91,860</td>
<td>1990</td>
<td>118,793</td>
<td>61,710</td>
<td>97,680</td>
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<tr>
<td>1983</td>
<td>100,834</td>
<td>56,550</td>
<td>90,920</td>
<td>1992</td>
<td>118,492</td>
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<tr>
<td>1984</td>
<td>105,005</td>
<td>56,870</td>
<td>91,250</td>
<td>1993</td>
<td>120,259</td>
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<td>57,260</td>
<td>91,800</td>
<td>1994</td>
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<td>63,860</td>
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<tr>
<td>1987</td>
<td>112,440</td>
<td>58,320</td>
<td>93,360</td>
<td>1996</td>
<td>126,708</td>
<td>64,200</td>
<td>95,720</td>
</tr>
</tbody>
</table>

¹ France, West Germany, Italy, and the United Kingdom.