

the **Lisbon** council

making Europe fit for the future

The Lisbon Council Series on Human Capital

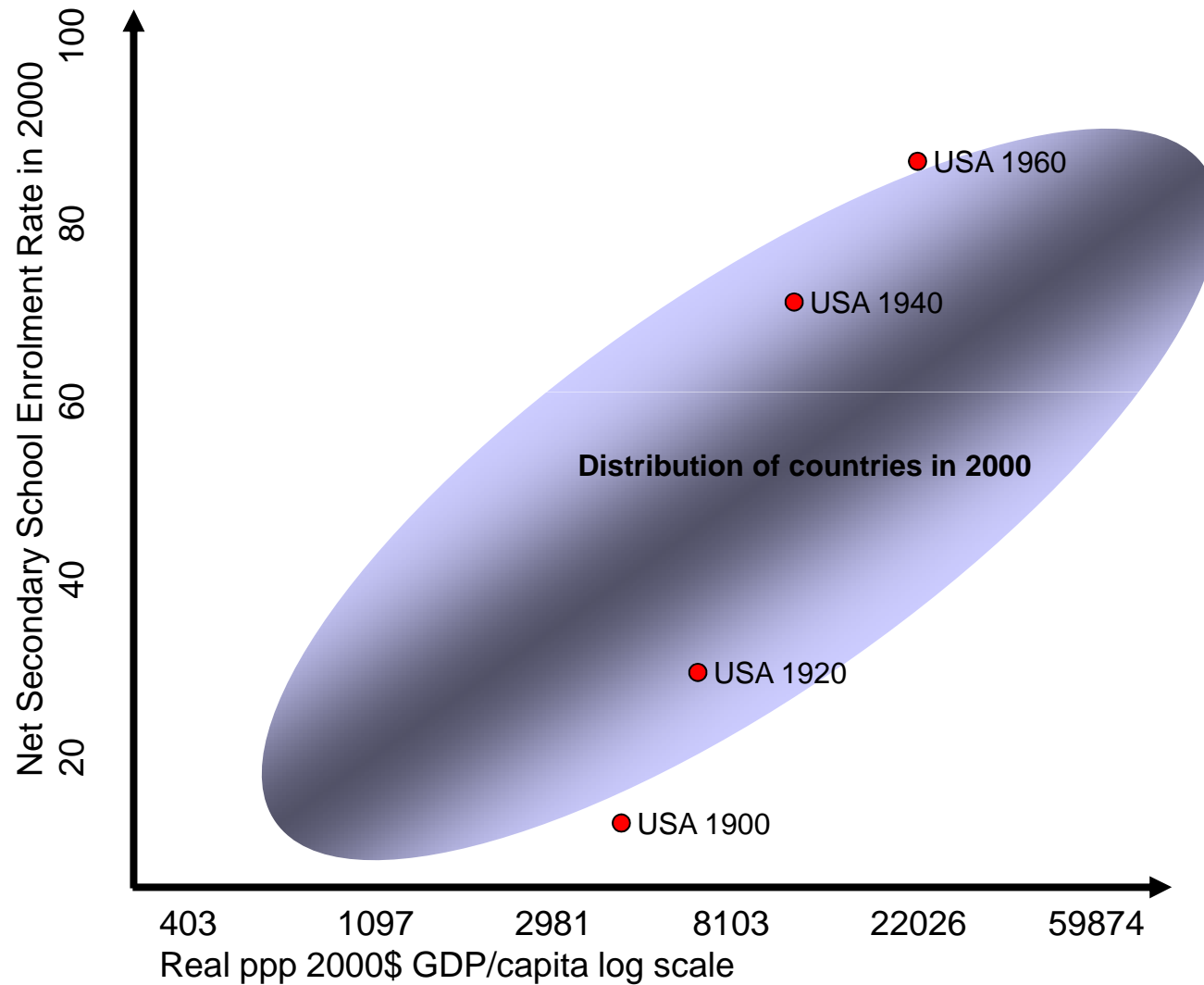
University System Rankings

Peer Ederer, PhD

Director, human capital center, The Lisbon Council

Budva, 28th October 2009

Education determines wealth creation



Education determines wealth creation – but how?

Average annual percentage change

labor productivity

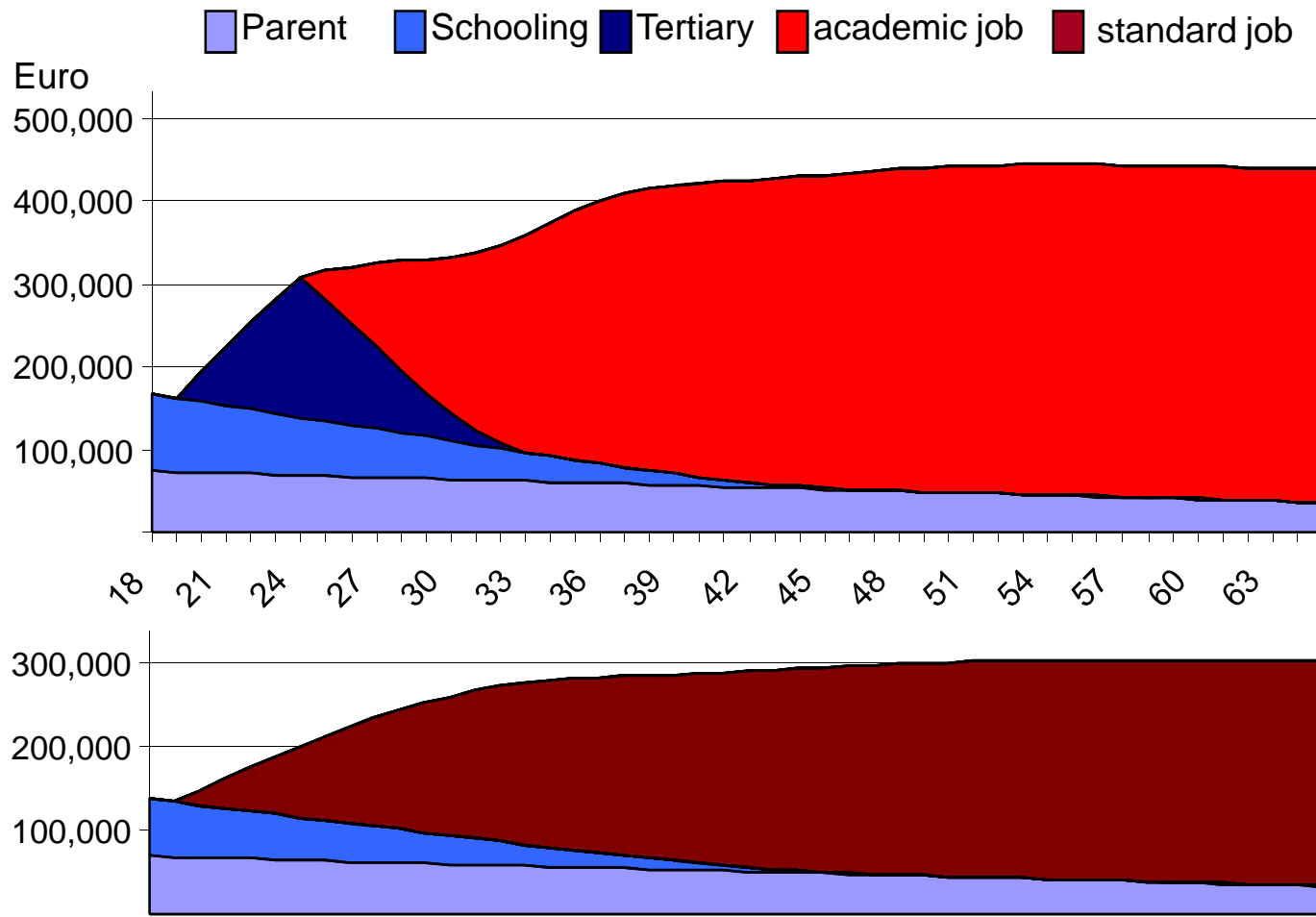
education expansion

1915 – 1940	2.45	0.50
1940 – 1960	2.92	0.49
1960 – 1980	2.41	0.59
1980 – 2005	2.18	0.37
1915 – 2005	2.47	0.48



Something is missing !

Introducing: Learning on the job in human capital accounting

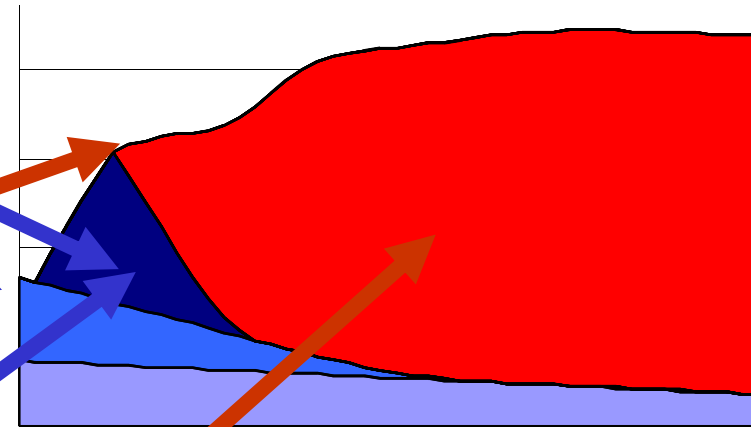


Implication for university systems: provide better education to more students for better jobs

Primary indicators for system relevance:

Parent
 Schooling
 Tertiary
 academic job

1. Tertiary participation rates
-> the higher, the better
2. Access threshold
-> the lower, the better
3. Effectiveness for the labor market
-> the more salary, the better

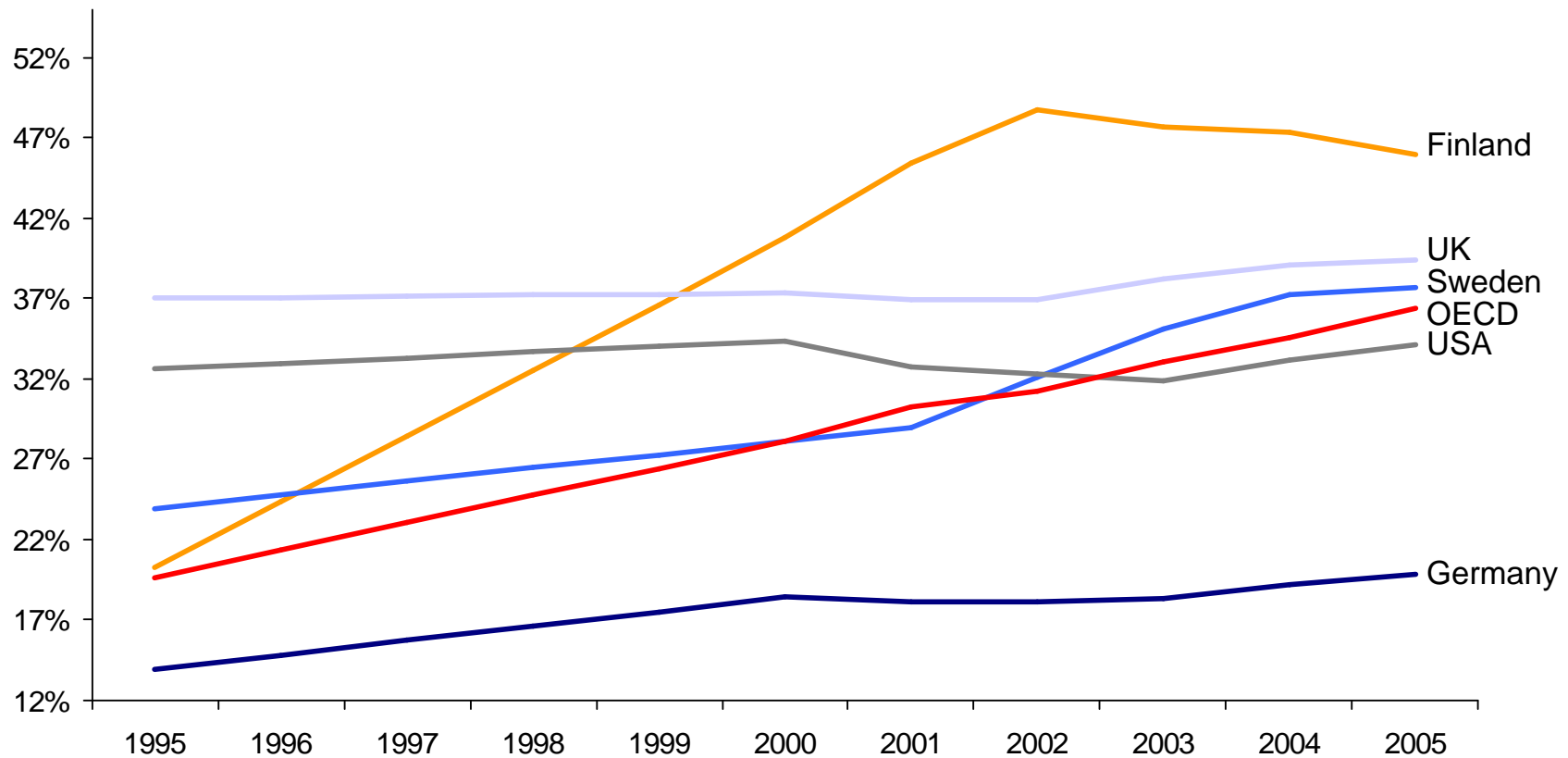


Secondary indicators for system relevance:

4. Attractiveness for foreign talent
-> the more foreigners, the better
5. Quaternary education
-> providing lifelong learning institutionalities
6. Adaptiveness
-> the ability to change

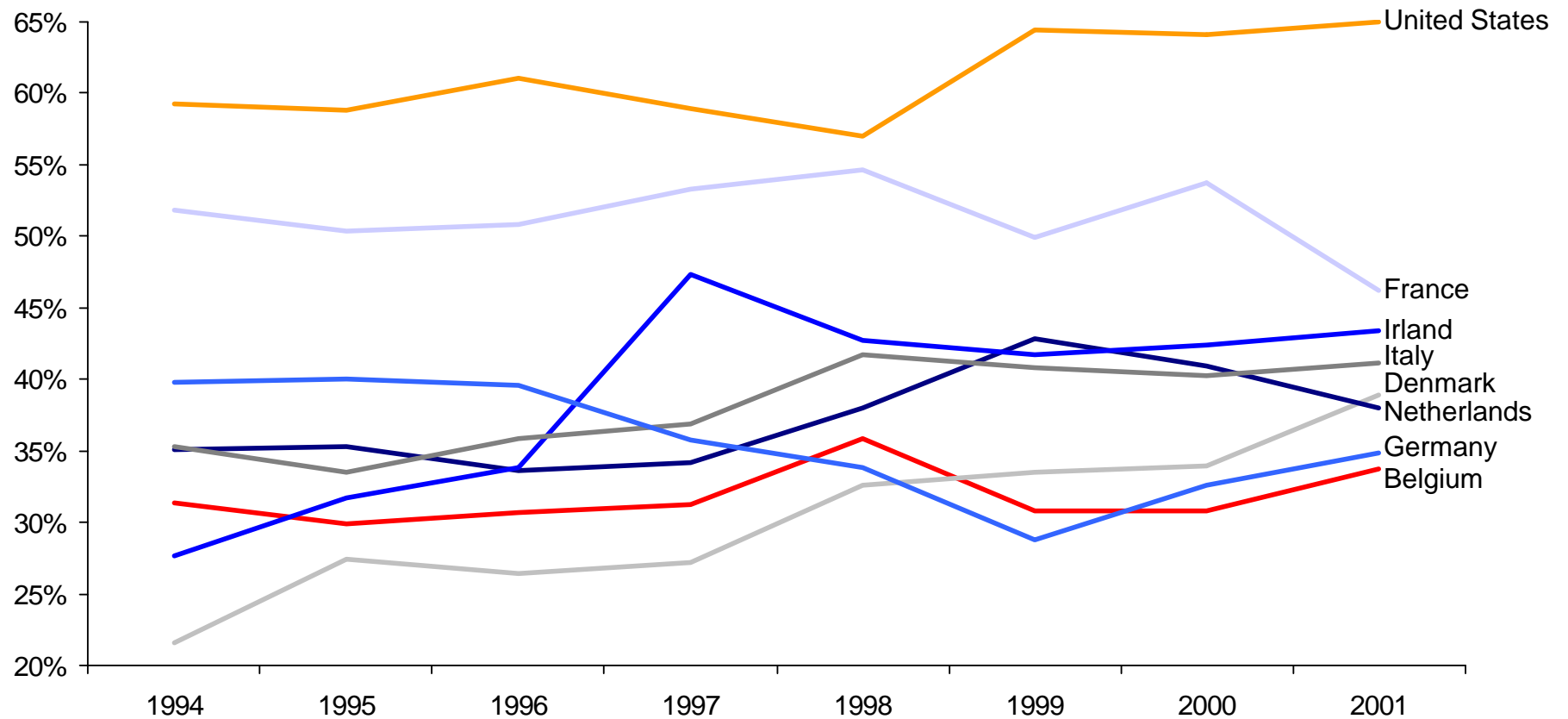
How large is the risk of overeducation ?

Tertiary graduates as a percentage of typical age group



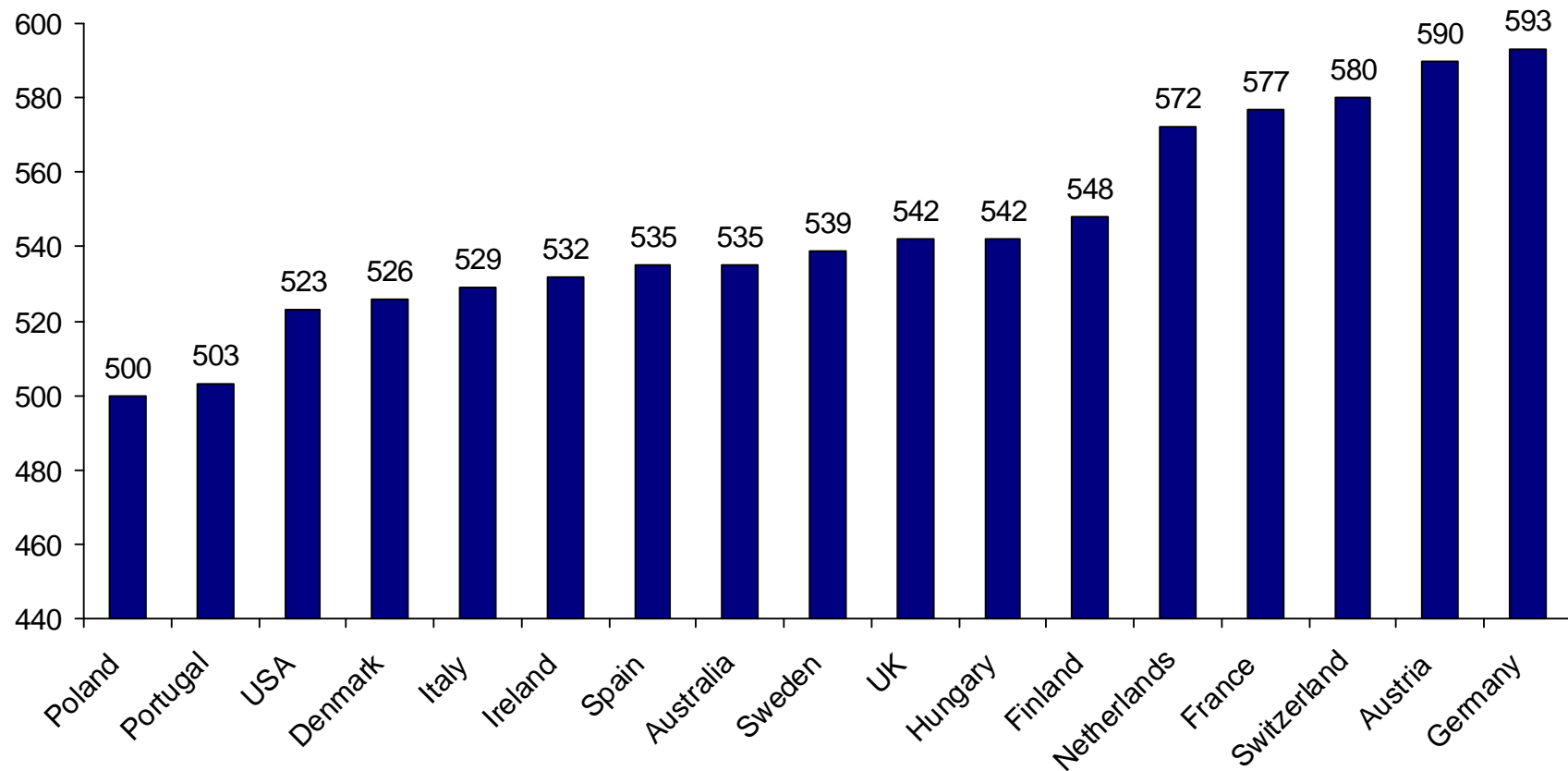
Wage premia are stable to increasing despite expansion

Evolution of gross wage premium for selected countries



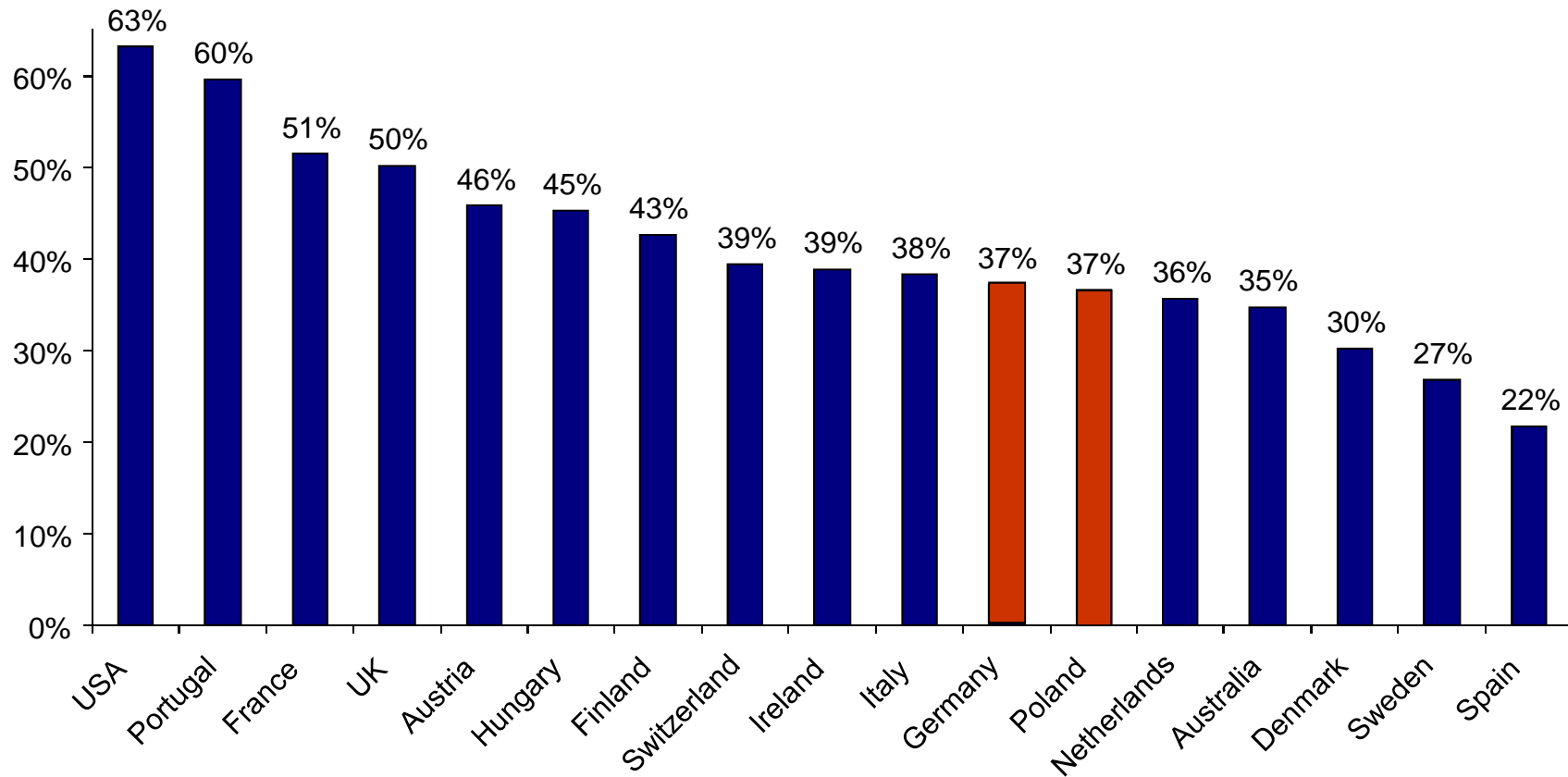
The quality of an education is measured by the skills that were imparted between entry and graduation

Pretertiary skill level required for graduation success, as measured by PISA 2003 math scores



Differences in gross wage premium

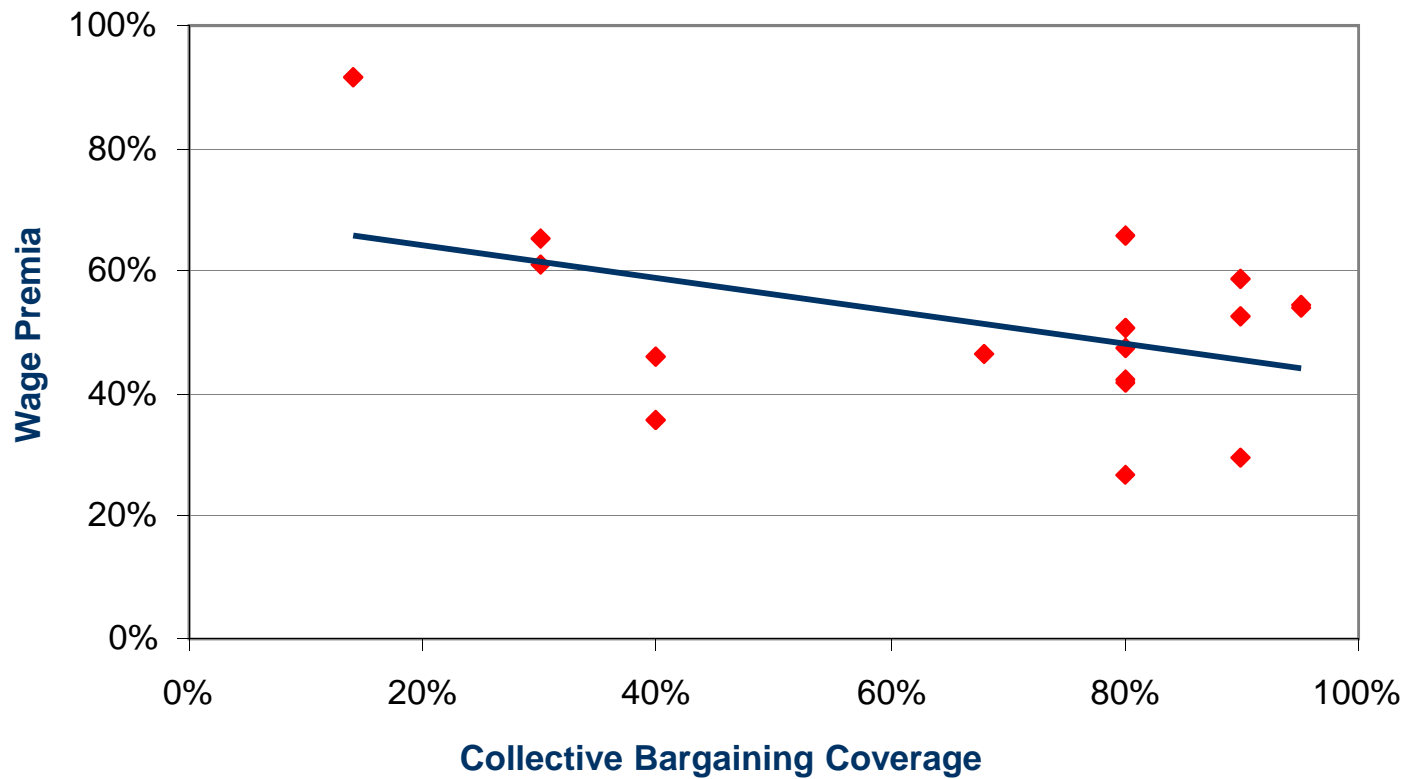
Gross wage premium on tertiary education



Source: Hubert Strauss; Christine de la Maissonneuve

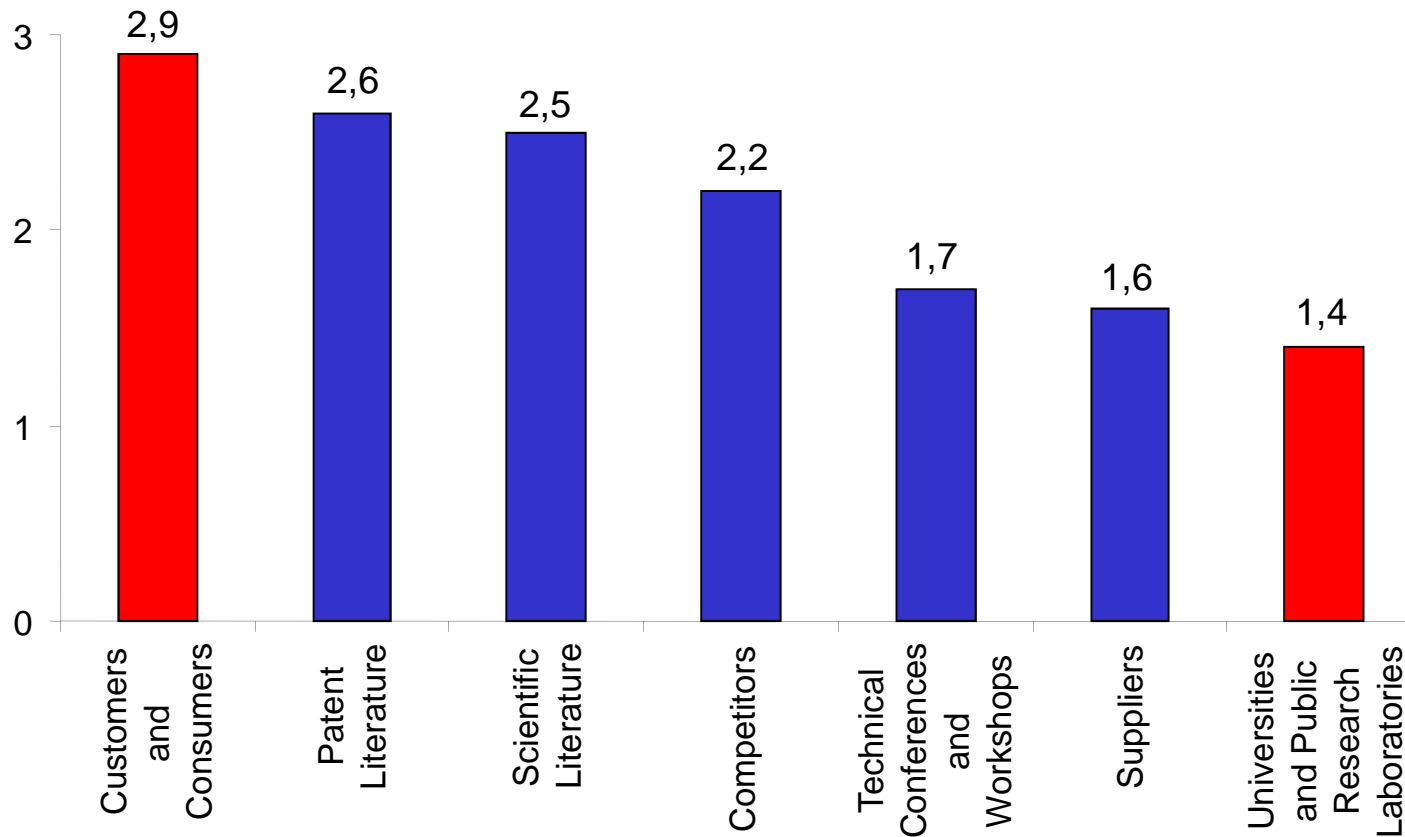
Wage premium needs to be adjusted for collective bargaining coverage in countries

The relationship between collective bargaining and wage premia



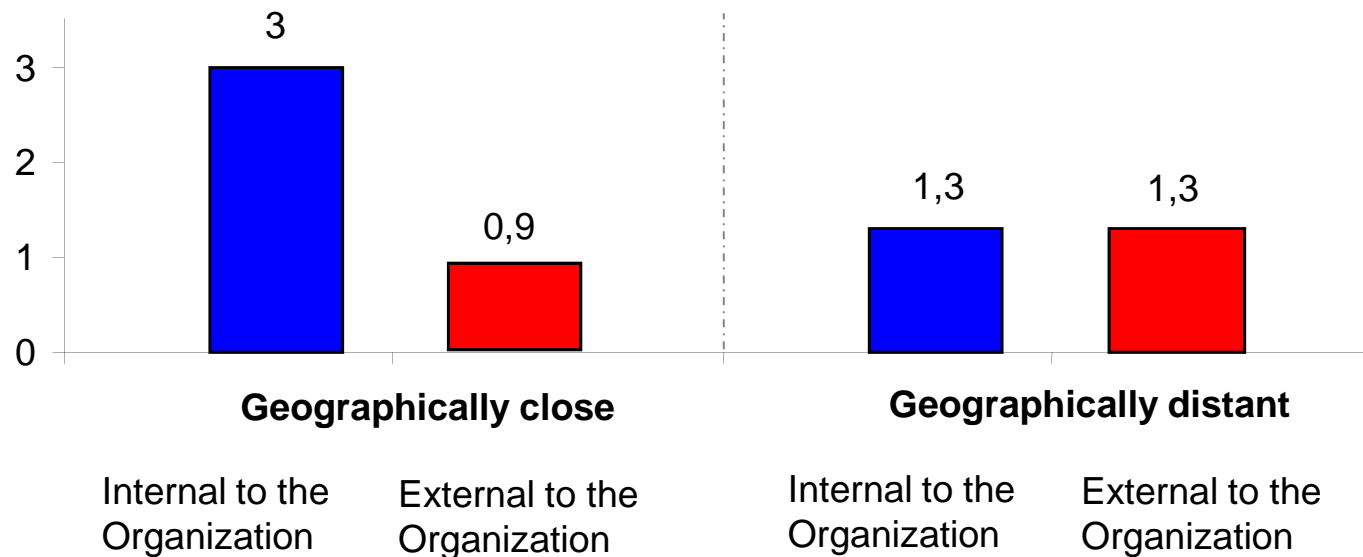
Research quality is not relevant to university systems 1/2

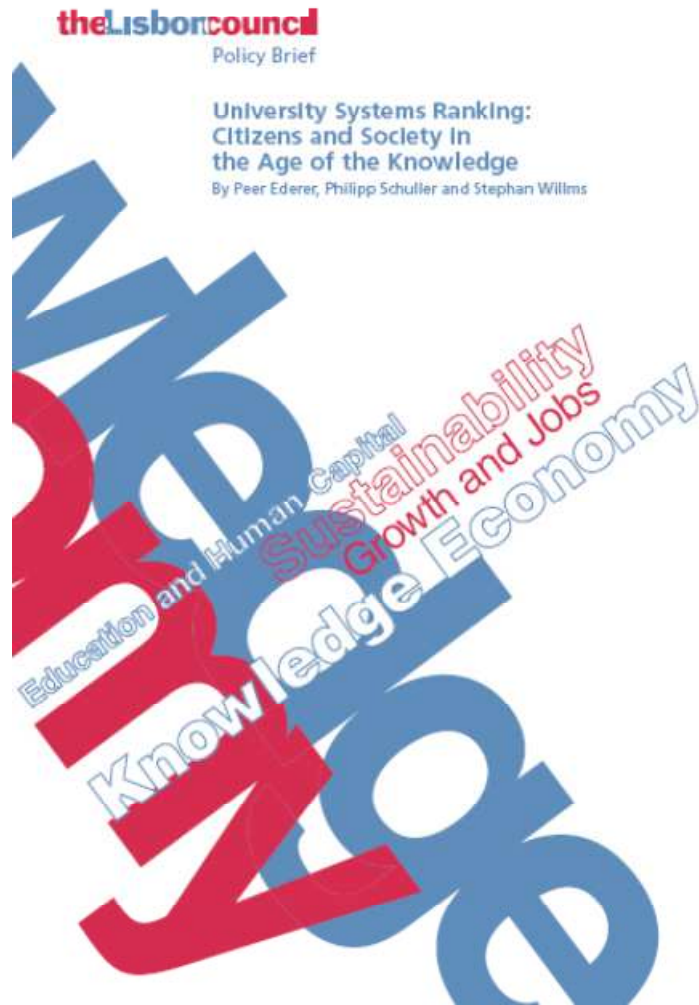
Relative importance of external sources of knowledge, rated 0-5 (5 = important) by 8824 European patent holders, 2005



Research quality is not relevant to university systems 2/2

Importance of geographical and organizational proximity to inventors, rated 0-5 (5=important)
by 8180 European patent holders, 2005





For more information,
and download of the 2008
University Systems Ranking:

www.lisboncouncil.net

Thank you !
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