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**THE ROLE OF INDUSTRY IN THE PREVALENCE OF
OVEREDUCATION IN EUROPE****Abstract:**

This paper performs a detailed study on the interaction between industry and the risk of overeducation using European Social Survey Round 5 data on 27 countries. Administrative and accommodation industries have the largest overeducation levels. When macro-level variables are included in the overeducation model, finance and public administration join these industries in being significantly more open to overeducation than manufacturing. Construction is the only industry with significantly lower overeducation risk than manufacturing. The exposure to overeducation in different industries reflects clear consequences of traditional association of men and women with different industries. Men are more overeducated in administrative services, accommodation and public administration, while women in finance, professional and scientific activities and administrative activities. Countries fall into one of three groups by the pattern of relationship between overeducation and the share of occupations from ISCO major groups 4-9: (1) industries form two clusters: low overeducation-low share of below-tertiary occupations and high overeducation-high share of below-tertiary occupations, (2) industries form a continuous cloud along a positively-sloped line, and (3) industries appear along a horizontal line, suggesting no relationship between the two variables. Of all individual-level variables, only tenure has strong influence on overeducation risk in most industries.

Keywords:

overeducation, industry, Europe, labour market, mismatch

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