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## Opportunities for Art Students at the Labour Market in the North of The Netherlands

**Jouke van Dijk**  
 Professor of Regional Labour Market Analysis, University of Groningen,  
 Faculty of Spatial Sciences, Department Economic Geography

Presentation at for the Career Minor Faculty of Arts, University of Groningen,  
 Marie Loke Zaal, Harmonie, Groningen, September 2, 2019.

Email: [Jouke.van.dijk@rug.nl](mailto:Jouke.van.dijk@rug.nl) Website: [www.joukevandijk.nl](http://www.joukevandijk.nl)

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## Outline

- Economic growth and human capital in nations and regions
- Labour market trends
- Individual benefits from investments in education
- Mismatch, education versus skills
- Human capital and migration
- Labour market behaviour of higher educated graduates
- Labour Market position of Art Graduates: Elsevier survey 2018
- Conclusions

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## Choice of Study: do what you like or should you look at the labour market perspectives?



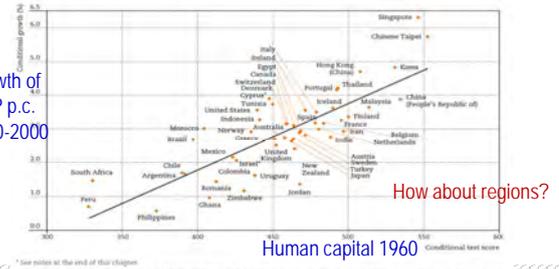
Article Financieel Dagblad today

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## Knowledge capital and economic growth for countries

FIGURE 2.3 KNOWLEDGE CAPITAL AND ECONOMIC GROWTH RATES ACROSS COUNTRIES



Growth of GDP p.c. 1960-2000

Human capital 1960

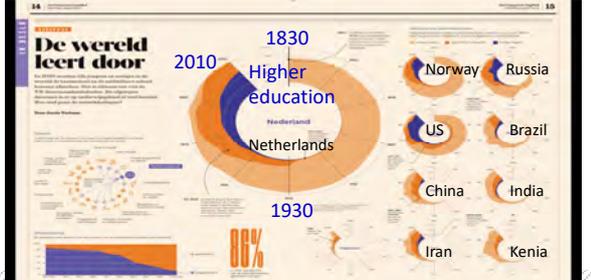
How about regions?

Source: OECD, In it together, 2015

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## Participation in Education 1830-2018: UN Sustainability Goal 2030 → every child finishes primary + secondary education



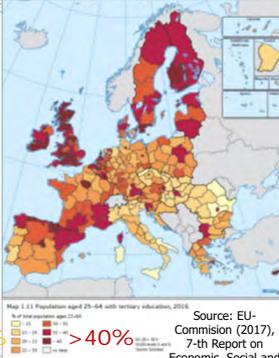
86%

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## Education

- Population aged 25-64 with tertiary education, 2016
- Large regional disparities in education; higher educated are more mobile and concentrate in (big) cities with HEI's <15%
- Average EU 28=31%



Source: EU-Commission (2017), 7th Report on Economic, Social and Territorial Cohesion.

**Youth - NEET**

- Young people **Not in Employment, Education or Training (NEET)** more than 20% in some Southern and Eastern regions
- **Social exclusion < 5%**

Source: EU-Commission (2017), 7-th Report on Economic, Social and Territorial Cohesion

**Expenditures on education as % of GDP**

**Chart B2.1. Expenditure on educational institutions as a percentage of GDP for all levels of education (2000, 2008 and 2011)**

1. Public expenditure only (for Switzerland, in tertiary education only; for Norway, in primary, secondary and post-secondary non-tertiary education only; for the Russian Federation, for 2000 only). Countries are ranked in descending order of expenditure from both public and private sources on educational institutions in 2011. Source: OECD Table B2.2. See Annex 3 for notes (www.oecd.org/edu/sgf.htm). Graph link: <https://doi.org/10.1787/889633333708>

**Brain Drain and Brain Gain: the Race for Talents**

Talent surplus vs Talent deficit

India Brazil Saudi Arabia China Russia Netherlands USA Italy Japan

Figuur 1: De mismatch wereldwijd tussen vraag en aanbod van talent in 2021. Getallen geven de gemiddelde jaarlijkse percentages aan. (Oxford Economics)

Bron: Kiezen voor kenniswerkers, AWT, 2013

**Share of international students by country**

Internationale studenten hoger onderwijs per land, 2016 (\*=2017)

\* NL: exclusief studenten niet-beroepsgericht onderwijs.

**Nationaliteit internationale studenten in Nederland, 2017**

Nationality of international students in NL

Legend: Duitsland, Nederland, Italië, België, Verenigd Koninkrijk, Overig EU-28, China, Overige landen en onbekend

**Current trends on (regional) labour markets (1)**

- Economic crisis is over, shortages occur in many occupations, mismatch education – jobs?
- Population decline and aging: shrinking labour force?
- Regional and urban-rural disparities: increasing role of cities; social and economic risks of climate change
- Increasing inequality in personal income and access to jobs
- Sectoral shifts from agriculture/industry to services
- Increasing knowledge intensity, ICT-revolution, more higher educated, but also a large pool of low-literate people: question of inclusiveness
- Polarisation on the labour market due to automation and robotization: medium level jobs disappear!

**Current trends on (regional) labour markets (2)**

- Flexibilisation (24/7 instead of 9 to 5), more self-employed, more temporary contracts and flexible and/or part time jobs
- Changes competences → 21<sup>st</sup> century skills, need for life long learning
- Increasing spatial mobility, especially of higher educated: commuting (self driving cars), internal migration, international migration
- Localization and Globalization; off-shoring/reshoring; Brexit, Catalunya; Populis, Trade War US - China, etc.
- Decentralisation of labour market policy to regions
- Quality of institutions and governance

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John Maynard Keynes prediction in 1930:

In the summer of 1930, at the start of the Great Depression, John Maynard Keynes gave a speech in Madrid entitled «Economic Possibilities for our Grandchildren». He stated that, over time, humankind was solving its economic problems thanks to the process of capital accumulation.

He predicted that the standard of living in progressive countries would, in one hundred years, be between four and eight times higher than it was in 1930, and that the standard working week would be fifteen hours. An important societal problem foreseen in Keynes' prediction would be how to spend leisure time (Keynes, 1963).

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Vacancies versus Unemployment Benefits 1998 - 2017

Figuur 3.2 Ontstane vacatures en nieuwe WW-uitkeringen (UWV)

The economic crisis is over: now many unfilled vacancies

Bron: UWV, 2018

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Unemployment rate by level of education 2003-2017

Education: Low, Medium, High

% Werkloosheid laag opgeleiden  
% Werkloosheid middelbaar opgeleiden  
% Werkloosheid hoog opgeleiden

Meting van 2017 heeft alleen betrekking op de eerste helft van 2017  
Bron: CBS (Statline)

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Verhouding werk en werklozen

Vacancies per 100 unemployed

77 (2008) 88 (2019)

Op de arbeidsmarkt sneuvelt het ene record na het andere

2008 2019

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Arbeidsmarkt rijgt record aan record: op 100 werklozen zijn er 94 vacatures

August 14th 2019:

94 vacancies per 100 unemployed

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ECONOMIE

Employers compete for young people

Gevecht om de jonge sollicitant

Seaports en Gasuni met Team naar Tokyo

**A job without applying with CV!  
Zonder sollicitatie  
toch een baan**

**Wij zoeken jou!  
JOUJOUJOU!!!**

**We are looking for you!!!!**

*'Ik heb gereageerd omdat ik me eindelijk welkom voelde'*

*In een tijd waarin bijna de helft van de vacatures onvervuld blijft, is de banenmarkt veranderd in een schoonheidswedstrijd voor werkgevers. 'We willen duidelijk maken dat mensen bij ons in een warm bad terecht komen.'*

**Maatschappij en economie hebben niet alleen bètatechnici nodig, maar ook alfa's en gamma's**

**Society needs not only beta-technicians, but also alfa's and gamma's**

*Met onderwijs heeft*

**3.2.1 Ontwikkeling werkgelegenheid in arbeidsjaren, 1996-2016<sup>(1)(2)</sup>**

**Growing regions are everywhere!**

**Urban areas with a high density of people have more jobs in commuting distance**

*Cijfers voor Zuidwest- en Zuidoost-Friesland zijn in dit onderzoek gecorrigeerd voor gemeenschappelijke herindeling van 2014.  
<sup>(2)</sup> Hoe de verdeling in vijf ontwikkelingsklassen tot stand is gekomen, staat in de technische toelichting.*

**Labour force by education: very small differences between regions**

**Three northern provinces: 10-12% of the population and jobs**

Bron: CBS, Arbeidsdeelname, regionale indeling 2015

**Employment by province and NL 2010 - 2021**

**Jaarlijkse ontwikkeling werkgelegenheid tot 2021**

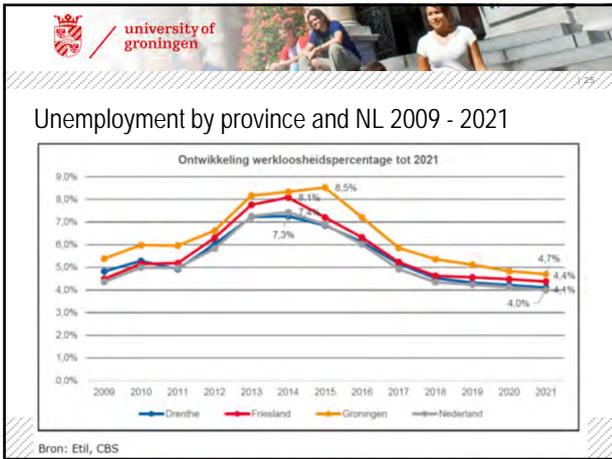
Bron: LISA, bewerking en prognoses Etli

**Employment North by education level 2003 - 2016**

**Ontwikkeling werkzame personen naar opleidingsniveau, 2003-2016, Noord-Nederland**

**Higher educated**

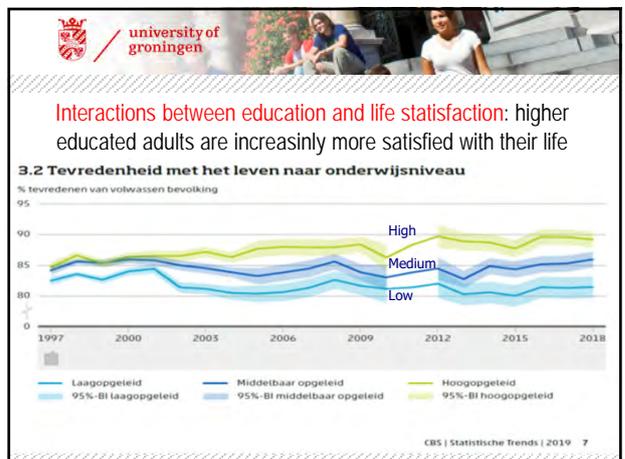
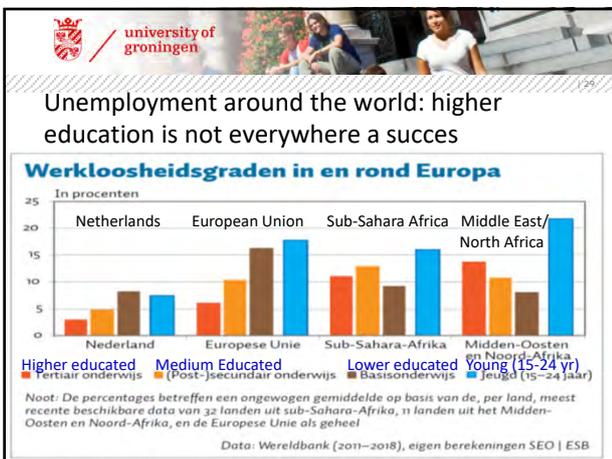
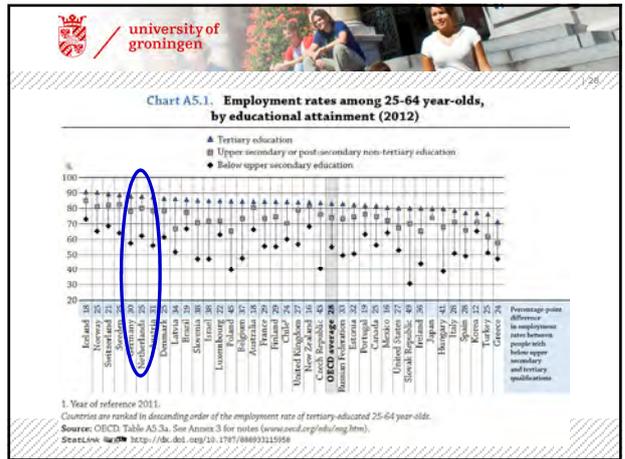
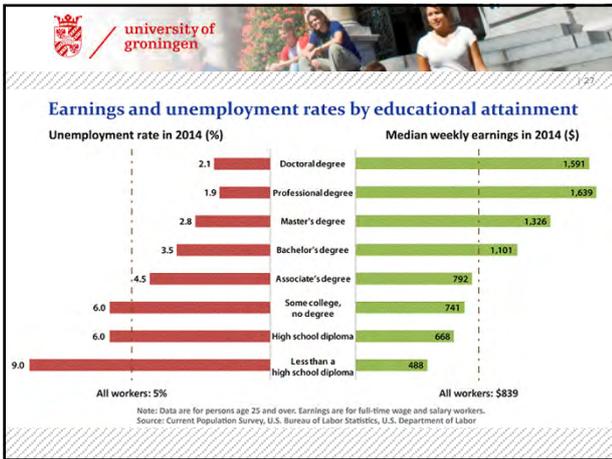
Bron: CBS (EBB), bewerking Etli.

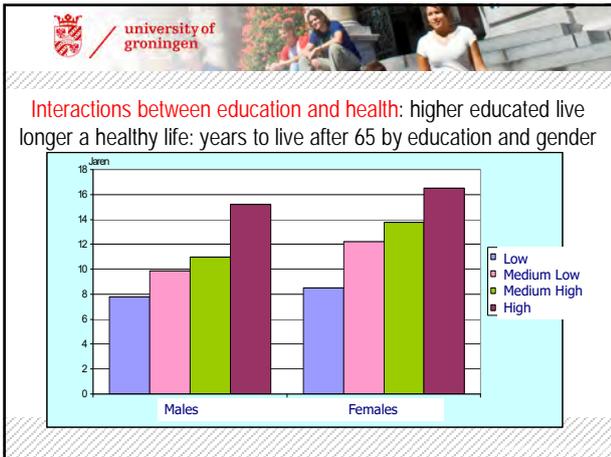


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### The individual benefits of investing in human capital

- Human Capital Theory (Sjaastad, 1962) and Job Search Theory (Lippman and McCall, 1976, 1979 and Pissarides, 1976): higher educated have higher wages, lower risks of unemployment; but also better health, higher life expectancy
- Higher educated are more spatially mobile because they have lower (information and psychic) cost and higher returns in terms of future wages. Path-dependency: if they move once, they are more likely to move again: onward moves versus return moves.
- For migration besides wages and unemployment (e.g. Lowry, 1966), regional differences in cultural and natural amenities and quality of life may also play a role (e.g. Graves, 1980) and on top of that personal factors like families etc.





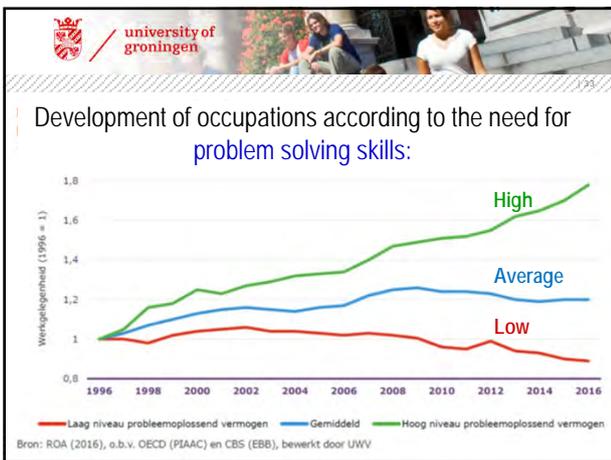
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Mismatch between Education and Job Requirements?

Vertical mismatch: level of education is too high or too low for the job

Horizontal mismatch: level of education is OK, but the type of education not

- Do we talk about education or skills?
- Do we talk about the short term (first job) or long term (career)?



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Rapidly changing skill requirements for the 21<sup>st</sup> century

- ✓ Creativity
- ✓ Critical Thinking
- ✓ Communication
- ✓ Collaboration
- ✓ Commitment



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# Robotisation and Automation

## Automation and Robotization: how many jobs will be lost?

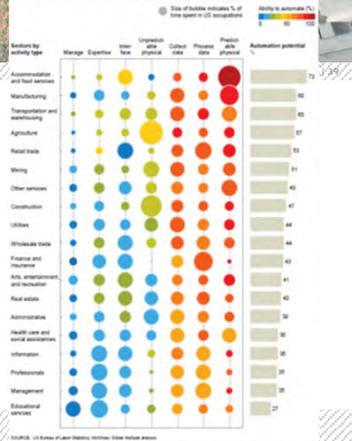


## How many jobs will be lost?

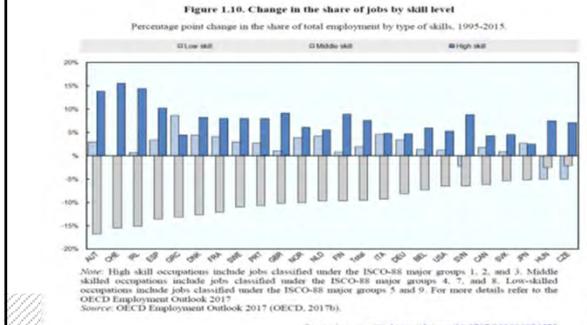
- Frey and Osborne (2017): 47% of total US Employment
- Deloitte (2014): 20-30 % of total Dutch jobs
- Koster and Talens (2016): 30% of total Dutch jobs
- Arntz et al. (2016): 9% of total jobs in OECD countries

Large differences in the risk of automation between sectors and occupations,

ALSO FOR ACADEMICS IN e.g. LAW, ACCOUNTING, ENGINEERING



## Labour Market Polarization: middle skilled jobs disappear

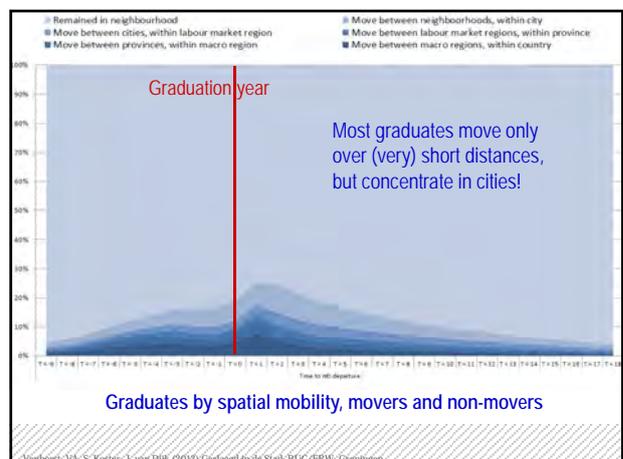
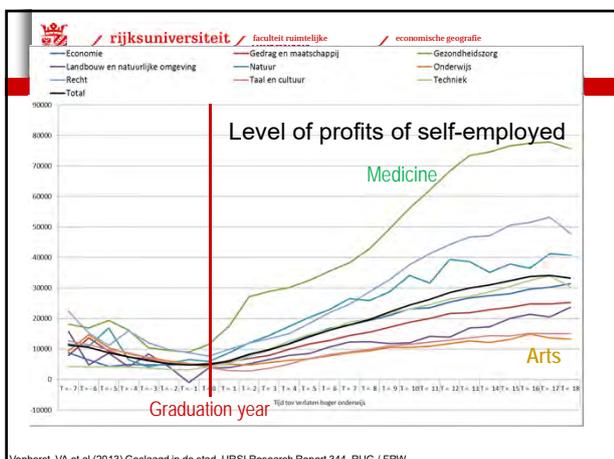
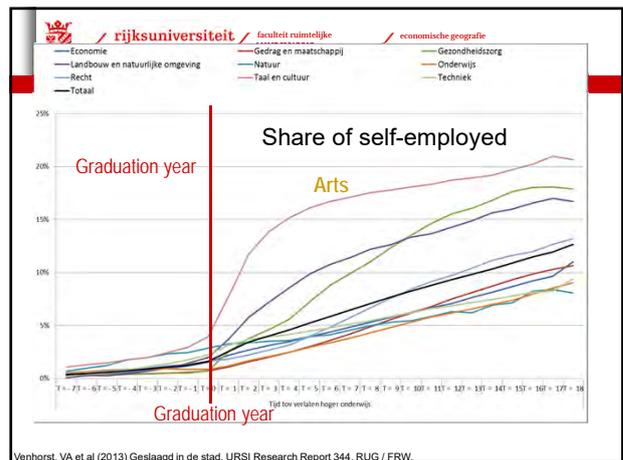
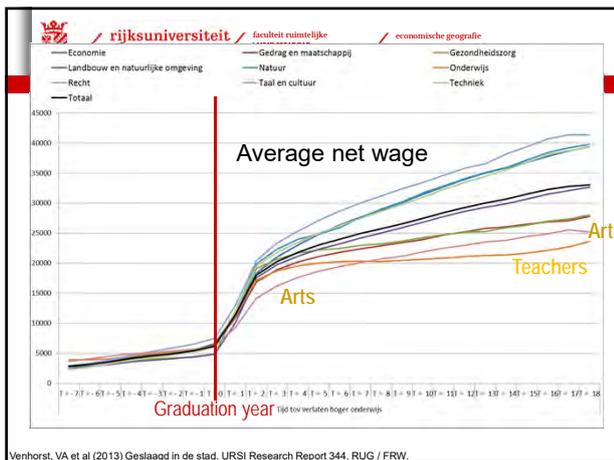
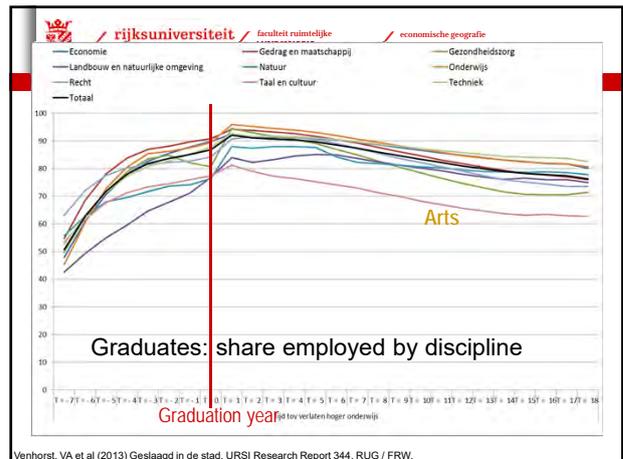
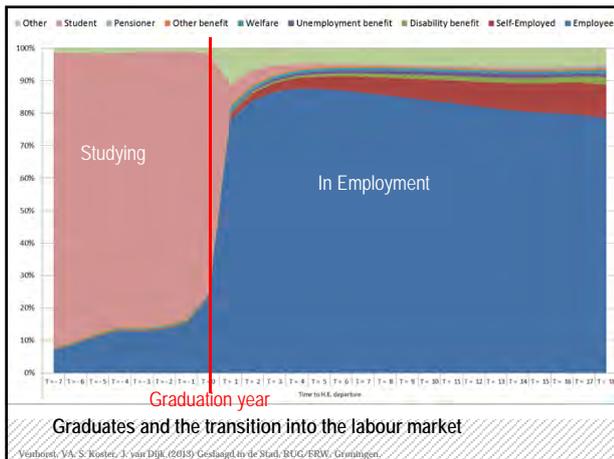


## Graduate Labour Market and Migration Behaviour in the Netherlands using longitudinal (max. 25 years) micro data

## Smart move?

- > Viktor Venhorst Dissertation: The spatial mobility of higher education graduates
- > Analysis based on longitudinal individual personal and career data





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GRONINGEN  
26  
2017

# Groningen strijdt tegen lonkende Randstad

RICHOLO BRANGSMA

GRONINGEN De strijd om de student haart nu al los. Groningen zet alle zellen bij om studenten voor de stad te behouden als ze klaar zijn met hun studie.

Volgens weekblad Elsevier is Groningen de leukste studentenstad van Nederland. Van de duizenden RLI-hoers die maandag arriveren, verblijft desondanks het merendeel over een jaar naar richting Randstad. Op zoek naar het werk dat ze in Groningen of de directe omge-

ving niet kunnen vinden. „Groningen is een geweldige stad, maar ze is 200 kilometer naar beneden moeten liggen. De stad ligt overal te ver vandaan”, zegt laatstejaarsstudent verpleegkunde Laura in een gesprek met deze krant. „Als de locatie beter was geweest, was ik hier blijven wonen.”

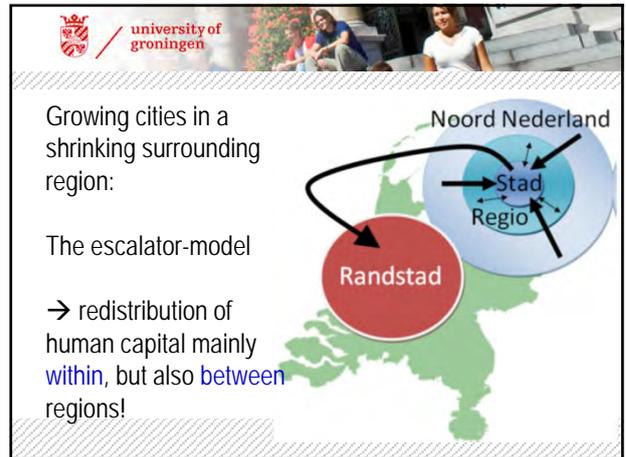
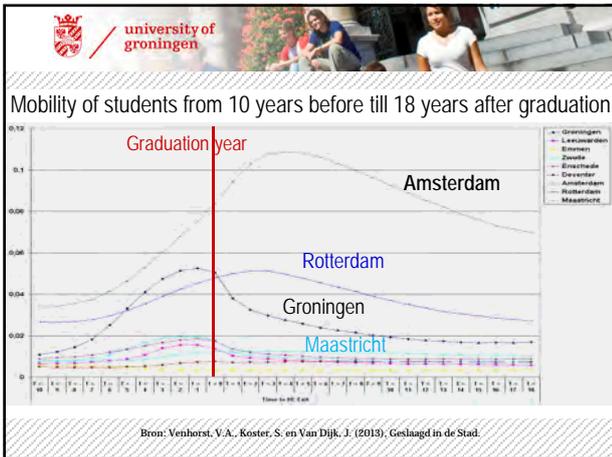
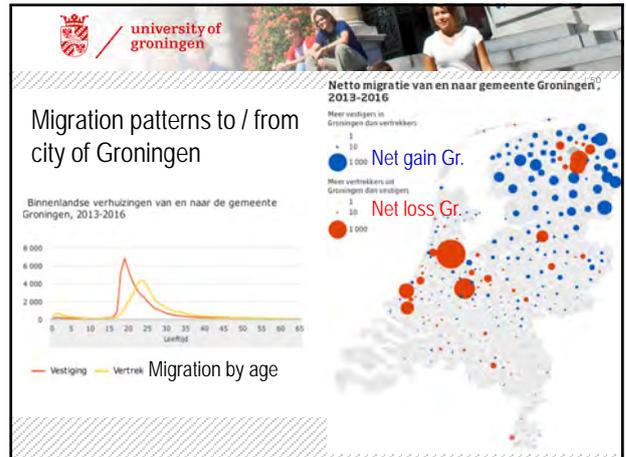
Naar de mening van wethouder Joost van Keulen (VVD), economische zaken) kiezen veel afgestudeerden te snel voor een vertrek. „Het is een illusie te denken dat we in Groningen alle afgestudeerden een baan kunnen bieden. Dus dat er mensen vertrekken, is te begrijpen. Maar we willen wel dat menoten de keuze weloverwogen maken.”

De wethouder vindt dat studenten zich meer zouden moeten verdiepen in de stad waar ze hun studententijd doorbrengen. Hij be-

grijpt niet dat een student tegen deze krant zegt dat er weinig culturele voorzieningen zijn. „Groningen heeft behoorlijk veel te bieden.”

Van Keulen wil studenten helpen hun kennis over de stad te vergroten. Daarvoor heeft de wethouder een verbod geloten met de Rijksuniversiteit Groningen, Hanzehogeschool, studentenverenigingen en bedrijfsleven. „We organiseren bedrijfsbezoeken en netwerkbijeenkomsten, maar merken dat het een uitdaging is hiervoor studenten te interesseren.”

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GRONINGEN  
26  
2017

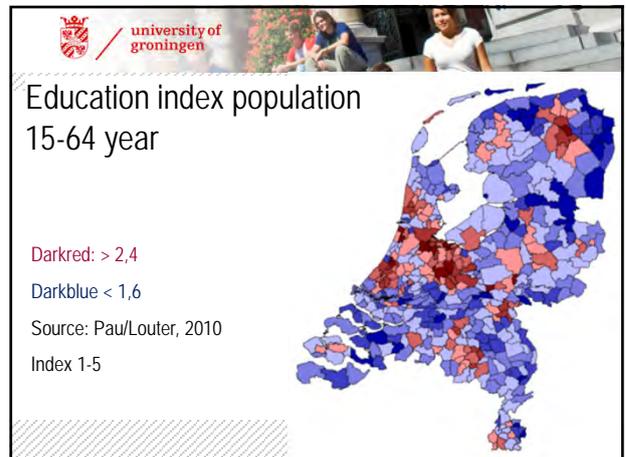
ACHTERSCHOUW

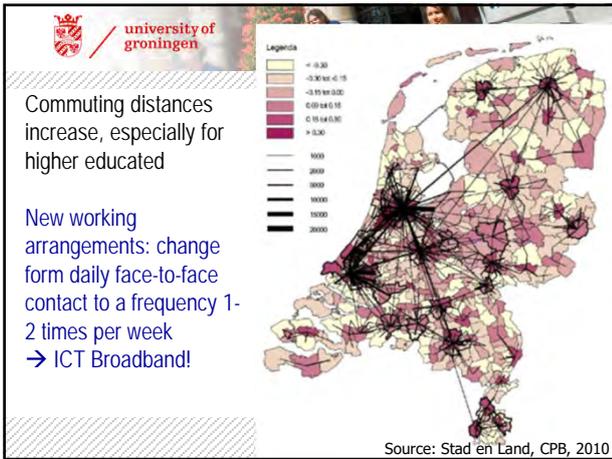
## Wie zet de roltrap naar de Randstad stil?

Duizenden studenten stromen deze week naar Groningen binnen. Wanneer de stad die erop zit, verlaat het gros de stad weer niet zo snel? Waarom?

Wethouder wil naar Amsterdam, dat is voor velen echt een soort Mekka!

Wethouder wil onderzoek naar motieven vertrekkende studenten





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### Brain drain / brain gain: conclusions (Venhorst et al)

- Research question:
  - Where do students come from and where are they going to live and work after graduation?
  - Does this pattern shows variation by discipline and regional labour market conditions?
- Conclusions:
  - The rural area loses, the city wins and in the end especially Amsterdam
  - Bonding is important, mobility is only high around the graduation date. Many stay put.
  - Considerable regional differences in the way they serve their own labour market
  - Periphery doesn't lose automatically the best students, except for economists and lawyers. Is this a problem? Brain drain or clean export product?
  - Migration is paying-off, but not for all (self-selection)
  - Job opportunities are more important for migration than residential amenities
  - Job opportunities for partners are of crucial importance!

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### Labour Market situation of recent graduates in the Netherlands: results of the Elsevier survey 2018

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### STUDIE & WERK ELSEVIER WEEKBLAD 2018

Wat bepaalt succes op de arbeidsmarkt?

Voor alle opleidingen ga naar: [elsevierweekblad.nl/StudieWerk](http://elsevierweekblad.nl/StudieWerk)

Onderzoek **STUDIE & WERK 2018:**

- > hbo'ers en academici verdienen meer dan vorig jaar
- > kans op vast contract neemt weer toe
- > starters vinden sneller werk
- > positie van pas afgestudeerden nog niet op niveau van voor de crisis

**Snel een baan**  
Quick Job access

Tijd tussen afstuderen en eerste subtoelating baan van minstens drie dagen

**Baanzekerheid**  
Job certainty

Wel of geen vast contract > na 15 maanden [starters] > na 10 jaar

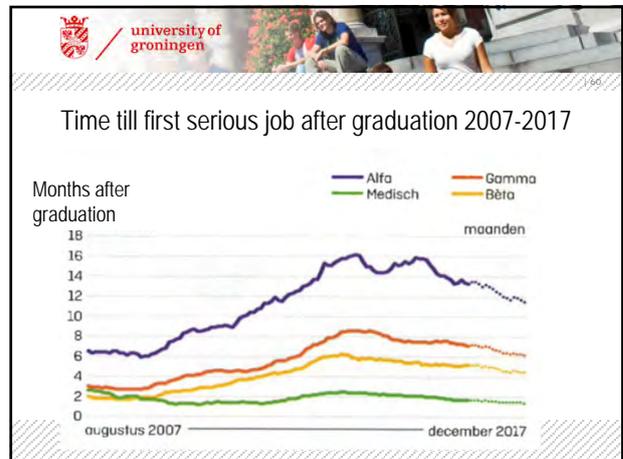
**Hoog salaris**  
Salary after 1,5 / 10yr

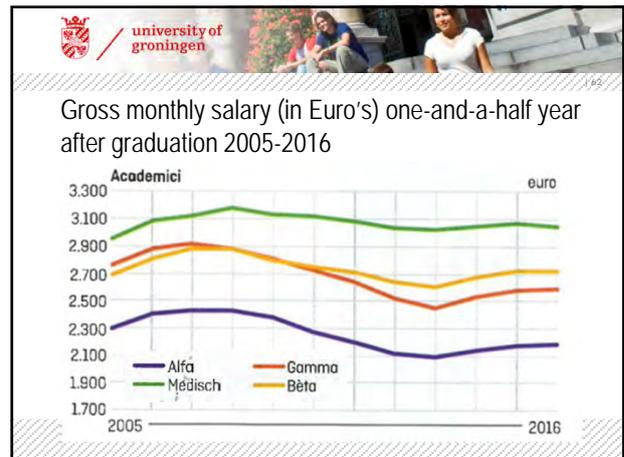
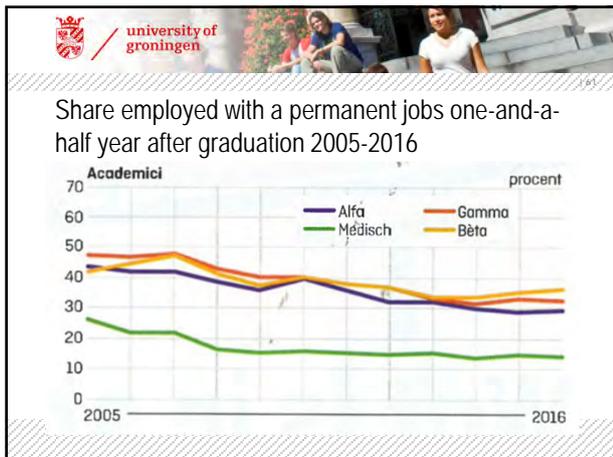
Brutosalaries > na 15 maanden [starters] > na 10 jaar

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| UNIVERSITAIR NADIER | 15e MAANDEN | 18e MAANDEN | 21e MAANDEN | 24e MAANDEN | 27e MAANDEN | 30e MAANDEN |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Alfa                | ...         | ...         | ...         | ...         | ...         | ...         |
| Beta                | ...         | ...         | ...         | ...         | ...         | ...         |
| Gamma               | ...         | ...         | ...         | ...         | ...         | ...         |
| Medisch             | ...         | ...         | ...         | ...         | ...         | ...         |

Legend:   
 \*\* zeer sterke groei,   
 \* sterke groei,   
 + gedeeltelijke groei,   
 - gedeeltelijke afname,   
 - - sterke afname



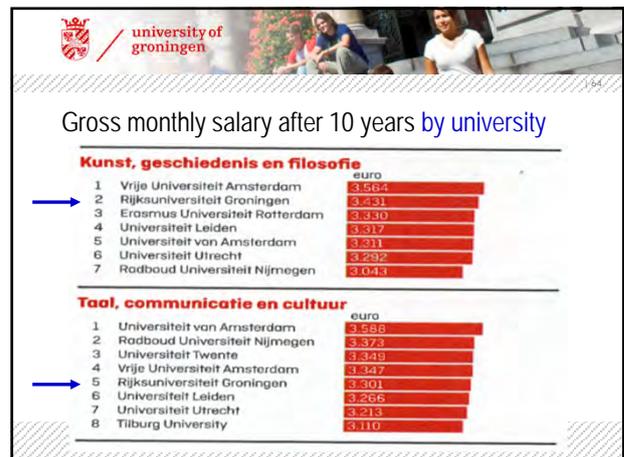


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Gross monthly salary after 18 months and 10 years

Selected studies: salary after 18 months / 10 years (in euro's)

|                           |       |       |
|---------------------------|-------|-------|
| Finance                   | 3.100 | 6.100 |
| Econometrics              | 3.200 | 6.000 |
| Medicine                  | 3.500 | 5.900 |
| Engineering               | 3.000 | 5.200 |
| Law                       | 2.600 | 4.600 |
| Geography                 | 2.400 | 3.900 |
| Psychology                | 2.200 | 3.400 |
| Academic Teacher Language | 2.500 | 3.600 |
| History                   | 2.000 | 3.600 |
| Culture, Media, Language  | 2.000 | 3.000 |



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General Conclusions

- Human capital is a crucial factor in the economic performance of nations, regions, cities and firms **but also for individual careers**  
→ investing in education is profitable, even with study loans.
- Human capital has besides economic benefits also other benefits for individuals (like health, happiness) and for society (like democracy)
- Higher educated graduates are the most spatially mobile group in the labour market, especially in the years before and after graduation.  
**But:** most of them stay in the home region. **Mobile people do better, but housing is cheaper around Groningen than in Amsterdam.**
- It leads to a redistribution of human capital within regions, but also between regions; impacts on regions are complex processes
- Robotization and automation change the job market.
- For a career education is important, but also other (21<sup>st</sup> century) skills

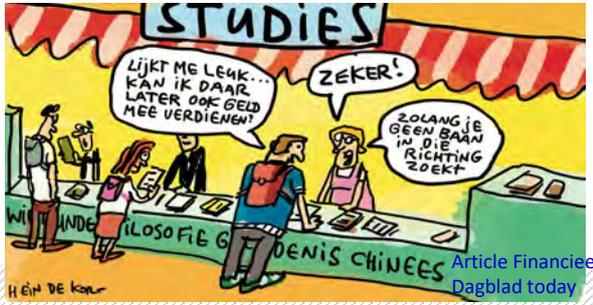
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Conclusions for Arts students in Groningen

- Arts students are less often employed. After 18 months the share with a permanent job is average, but in the long run they are less employed.
- Earnings are in the lower bound both after 18 months and after 10 years.
- Within arts Academic Teachers perform the best, and after 10 years historians keep up with them.
- Graduates from Groningen in arts, history and philosophy are in second place in terms of salary after 10 years compared to other universities in The Netherlands. Language, communication and culture students are average.  
**But: large differences between individuals, personal factors matter!**
- Is studying Arts a good choice? The benefits of higher education are broader than work and income and relate also to life expectancy, health and happiness which is relevant for both the individual and for society.



### Choice of Study: do what you like or should you look at the labour market perspectives?

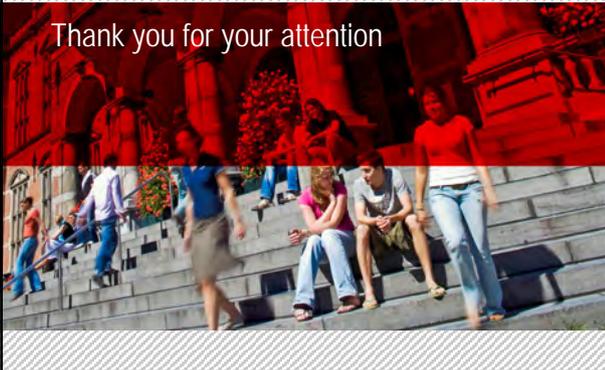


### Choice of Study: do what you like or should you look at the labour market perspectives?

- Prime minister Mark Rutte (historian) in August 2019 at Lowlands festival: **choose what like!**
- Minister of Education Ingrid van Engelshoven: **labour market perspective** → we need more beta and technicians, because with history and philosophy we cannot beat the Chinese. Therefore, she want to allocate more money to beta studies and less to alfa and gamma
- Article Financieel Dagblad today: **by far the most important predictor for future career success is intrinsic motivation for a study. Furthermore, personal characteristics and quality of the university matter, but not labour market perspective!**
- → **follow the prime ministers advice: choose what you like!**



Thank you for your attention



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Email: [Jouke.van.dijk@rug.nl](mailto:Jouke.van.dijk@rug.nl)

Website: [www.joukevandijk.nl](http://www.joukevandijk.nl)