

Interview with
international students
**'I've met friends for
a lifetime here'**

Meet our Alumni
Hans Erik Tuijt
Heineken

Research
in a Nutshell
**Does inequality
affect the way
we spend?**

Back to Bone Magazine



Preface

Dear reader,

It is a great pleasure to present to you Backbone, the corporate magazine of Erasmus School of Economics, the oldest and one of the largest schools within Erasmus University Rotterdam with approximately 6,500 students and 400 faculty and staff members.

Economics and Econometrics are fascinating disciplines, whose Dutch educational roots lie in Rotterdam. At Erasmus School of Economics, we educate today the leaders of tomorrow. We do this by placing academic education in Economics and Econometrics at the centre of our activities and by offering challenging programmes which combine theoretical and practical expertise of our academic staff. Together with the support staff, the school provides an environment in which we promote respect, equal opportunities and diversity; everyone, student and staff, is encouraged and challenged to achieve their full potential.

Erasmus School of Economics continuously elevates the quality of our education, providing our students with enriched and challenging educational experiences. We enable students to benefit from Erasmus School of Economics' research reputation and capacity, its international links, and the strong ties with business and government.

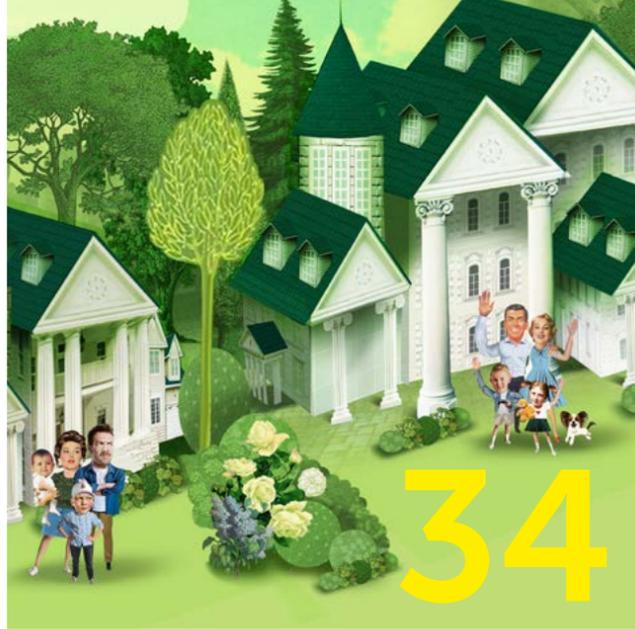
In 2021, Erasmus School of Economics celebrates the 65th anniversary of the Econometric Institute, which was founded in Rotterdam by Nobel laureate Jan Tinbergen and Henri Theil. Ever since its inception, the Econometric Institute has been one of the world's hotspots for teaching and research in Econometrics, with a strong focus on the usefulness of econometric and statistical methods in real-world applications. Today, the Econometric Institute is home to no less than 1,800 Bachelor and Master students in Econometrics and Operations Research.

I hope you will enjoy reading the inside views of our School, its research, faculty, students and alumni.

Prof. Patrick Groenen
Dean of Erasmus School of Economics

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Banksy just got a run for his money: Rotterdam street art

As a student, it is important to take time to relax and explore what the beautiful city of Rotterdam has to offer. Aside from its many shops, parks, bars and cafes, Rotterdam is also the place to be for urban art lovers. **Charlotte Spit**, Bachelor student Economics and Business Economics, takes us on a 5-day trip through the city, showing us her favourite street art spots.

Day 1: The City Centre

Rotterdam's city centre has a lot to offer when it comes to street art. When you make your way to the famous Witte de Withstraat you will find a beautiful painting of a white monkey at cafe de Witte Aap (cafe the White Monkey). This mural has been made by the artists Ox-Alien and Mark Goss and is the perfect picture spot after having a beer at one of the many cafes near the mural. Just a few steps away from the White Monkey, in the Eendrachtsstraat, you'll find Mr Merida, a beautiful mural based on a portrait made in Merida, Mexico.



Day 2: Central District

Just a 5 minute walk from Rotterdam Central Station, in the Karel Doormanstraat, you'll find a beautiful flower wall made by Collin van der Sluijs. At the top of the painting, you'll find a common tern, a seabird often spotted in Rotterdam's harbour. Just a stone's throw away from this bird, on the Kruiskade, you'll find Horizonte. In this beautiful painting by Tymon Ferenc, an indigenous American woman gazes upon daily life in the Western world.





Day 3: Afrikaanderwijk

This international and still undiscovered area in Rotterdam has several beautiful buildings covered in art. In the De la Reystraat, at the cross road with Hilledijk, you'll find two creepy yet friendly bats painted on the wall of an apartment building. This work by Nina Valkhoff shows these animals in a colourful setting, with the goal of making us look at them in a different light. A few streets away, in the Christiaan de Wetstraat at the cross road with Putselaan, you'll find a massive wall on which three figures are painted with influences from Latin American history. This mural was created by the Colombian artist Jaba, who called this the hardest wall to realise in his career.



Day 4: The Old West

The borough Old West, or in Dutch, het Oude Westen, is a sprawling area with nightclubs and live music venues along the busy Nieuwe Binnenweg strip. In the Bloemkwekersstraat, close to the tram station, you'll find a colourful mural by I Am Eelco. The mural depicts the life of animals during nighttime and was designed in a way that it appears different from every angle. Only one street away, you'll find Rotterdam's Montiemuur, which is part of Montie + de Avondkapper (Montie + the Evening hairdresser). The wall was painted by André Smit who often went to cut his hair at the barbershop, where he always talked about that hideous empty wall. On the wall you can see all the names of the artists André has photographed during his travels all over the world.



Day 5: Crooswijk

In the Crooswijk borough, you'll find the only legal graffiti wall in Rotterdam and the first Wallspot location in The Netherlands. On the website [Wallspot.org](https://wallspot.org), everyone can make a reservation for a registered wall to express their creativity on. Paintings appear and disappear here all the time, offering a view of Rotterdam's street art scene. On your way to the Rakstraat you can find three beautiful street art pieces, one of them is the Donut Lab. This absurd painting was made in just a few hours by six artists who call themselves KAMP HORST.



Do genes determine socio-economic inequalities?

By: Niels Rietveld and Eric Slob

Socio-economic inequality refers to the uneven distribution of socio-economic status in society. This inequality is the result of factors individuals can control and factors they cannot. Multiple heritability studies have shown that genes strongly contribute to variation in important indicators of socio-economic status, such as educational achievement, occupational status, and income. Although it is clear we cannot influence the genes we inherited, in our research we analyse whether environmental factors can moderate the effects of genes.

'Biology, and genetics as part of it, seems to be the next discipline that will get full attention in economics'

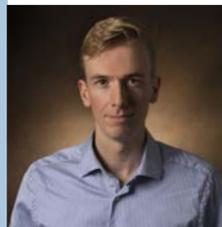


Heritability studies estimate the proportion of observable differences among individuals in a certain population resulting from genetic differences. Already in the 1970s, several economic studies have shown that important indicators of socio-economic status, such as educational achievement and income, are heritable for 20 to 40 percent. The completion of the sequencing of the human genome in the early years of this century has made it possible to identify and measure locations in the human genome that differ among population members. Most genetic differences between humans result from so-called Single Nucleotide Polymorphisms (SNPs). The costs of genotyping these SNPs have been dramatically declining over the past decade, which motivated well-known economic surveys to start collecting genetic data from their participants.

In 2013, researchers of Erasmus School of Economics and the Erasmus University Rotterdam Institute for Behaviour and Biology contributed to a publication in *Science* reporting the first robust and replicable association between SNPs and an indicator of socio-economic status: educational achievement. Although the estimated effects of individual SNPs on educational achievement were very small, even the recent and very critical book *Social by nature: The promise and peril of sociogenomics* refers to this paper as 'the field's most high-profile article'. In several follow-up studies, researchers of Erasmus School of Economics took the lead in analysing the effects of SNPs on many other important socio-economic outcomes.



Niels Rietveld is Associate Professor at the Department of Applied Economics at Erasmus School of Economics and Executive Director of the Erasmus University Rotterdam Institute for Behaviour and Biology.



Eric Slob is a PhD student at the Department of Applied Economics at Erasmus School of Economics. His research concentrates on the methodological integration of genetics into Economics.

Our present research concentrates on how environmental factors, such as conditions during childhood but also institutions, moderate these genetic effects. For example, we develop models to analyse how changes in the education system have been advantageous for individuals with a low genetic probability to perform well in school. These studies challenge the idea of genetic determinism and emphasise the role that policies can have in decreasing socio-economic inequalities arising from genetic background. Clearly, the development of new gene-sensitive policies will deserve profound ethical consideration.

Economics has always been good in the integration of insights and concepts from other scientific disciplines in her own research agenda. Biology, and genetics as part of it, seems to be the next discipline that will get full attention in economics. Equipped with the toolbox from genetics, economists will be even more prepared to battle pressing issues such as socio-economic inequality in today's turbulent world. ☺



Sjoerd van Kerkhof
Double Degree in Economics and Law (in Dutch)

'Strive for progress, not perfection'

Lessons learned in Rotterdam: go global

By: Madeleine Kemna

The Champions League, the Australian Open and the Rugby World Cup, there are few global sporting events where you don't see the Heineken logo. **Hans Erik Tuijt**, Director Global Sponsorships, says he was able to apply what he learned in Rotterdam all over the world. He is a sports enthusiast himself, but his decisions are always based on sound analyses of data. Find out how the company made its name synonymous with enjoying a beer with friends while watching a game together.

The enrollment of Hans Erik Tuijt at Erasmus School of Economics was pure coincidence. 'I had a contract with the marines, but on my first day it turned out they had too many people and I was sent home. All of a sudden I no longer had to dedicate 18 months to the Dutch army for the draft. Even though it was the middle of August, the central allocation body for university placement found an opportunity for me to study Economics because I did well in my high school exam. Rotterdam was the only place where there would be no exams during the months it took to finalise my registration, so that's how I ended up here.'

What was your first job like?

'The labour market was very tight when I graduated in 1988, which meant that I was able to get a job that was interesting from the start. My initial responsibilities were planning and control for the marketing department at Heineken Netherlands so I could immediately put into practice what I learned about cost accounting and budgeting. After a few years, I was asked to do a similar job at the breweries. It gave me the opportunity to learn first hand what the cost drivers are, something that has helped me ever since.'

You have been an expat in several countries. Has that influenced the way you work?

'In 1993 I moved with my family to Portugal to develop that market for Heineken. There was no internet or mobile phone yet and a

phone call between Zoeterwoude and Lisbon cost about 2.50 euros per minute, so communication with the headquarters was limited. It was truly pioneering. When someone asked me if the house I had rented for my family had a phone connection I laughed, but when I checked it wasn't there. I had to be entrepreneurial, which is very much part of the Heineken culture anyway.'

During my seven years in Australia, we were associated with some major sporting events there such as the Australian Open tennis tournament, the Rugby World Cup, and the Heineken Golf Classic. The Holland Heineken House during the Sydney Olympics set a standard that inspired athletes and fans for years. I experienced first hand how sponsoring can lead to tangible results, so when I returned to the Netherlands it was a logical step to start coordinating this globally.'

How do you choose Heineken's sponsoring projects?

'It is important to put things in context. Our worldwide market share is only 2%, but we are the only brand that is available all over the world. Outside the Netherlands, Heineken is usually up against brands that are far bigger in their local markets. That means we want to focus on sports with a global appeal. We will also never sponsor individual clubs or athletes because we feel we should be responsible by avoiding the impression that there would be a link between performance and the consumption of beer.'

'I experienced first hand how sponsoring can lead to tangible results'

'As an employer, we look for people that are socially intelligent and who have demonstrated a passion for getting things done'



From left to right: David Lette (Marketing Director Heineken Netherlands), Robert Doornbos (former Dutch Formula 1 racing driver) and Hans Erik Tuijt.

Hans Erik Tuijt (1962) graduated in 1988 from Erasmus School of Economics and joined Heineken in the same year. The first five years of his career he worked in a financial role, supporting production and commercial disciplines. He spent 14 years abroad in Portugal, Brazil, and Australia. Hans Erik is married to Louise and has three children. Sports are a big part of his life, being active as president of the Euro Hockey league, but also practicing sports and attending sports events. Today Hans Erik is Director Global Sponsorships at Heineken in Amsterdam.

Instead, we want to reinforce the message that drinking Heineken is a social activity that fans enjoy while watching sports together. Within these parameters, Champions League football is a logical choice.'

How do you measure impact?

'We start with a baseline measurement. Initially, we will ask respondents if they know Heineken and if they are familiar with the Champions League. That enables us to gauge the difference in our image between those who watch the Champions League and those who do not. Everyone who has followed marketing classes in Rotterdam knows the saying of marketing guru Philip Kotler: 'Once the brand is known, you can invest in it and reap the rewards in terms of increased purchases.' We are now at the point where 60% of Champions League viewers know Heineken sponsors this tournament (keep in mind that our market share is only 2%). Our sponsorship results in a satisfying increase in sales.'

Consumption of your product is restricted by age. How do you deal with that?

'First of all we only target sponsorship projects where at

least 75% of the audience is older than the legal drinking age. Sometimes this is very straightforward: the Champions League is broadcasted late at night, which makes it very unlikely that children will be watching. In other cases it is less obvious, the increasing popularity of eGaming is something we struggle with for example. It used to be an activity for children, but those 'kids' are now between 30 and 40 years old, so they definitely fall within our target group. However, the perception is still that this is something for underage players. That begs the question whether we should base our decision on perception or reality. For the time being we don't think we should be involved, even though this is where the future lies. The proverbial question 'Can I explain this to my mother or my wife?' is important of course, but we will always be guided by sound research.

The nature of brand loyalty is shifting. Our parents may have favoured one particular kind of beer, but today's generation has a large variety of brands that they choose from. You need to make sure you are part of that group. Research has shown that 40% of the 500 million Formula 1 fans worldwide is not into football. That means that by sponsoring we can get on the radar of 200 million people that we

would otherwise not reach. We have put this opportunity aside initially because drinking and driving are things you want to keep separate of course. When our research showed that there is no other sponsoring opportunity with a similar potential, we decided to see if there was a way we could make it work with the message 'When you drive, never drink'. After Heineken became an official sponsor of Formula 1 in 2016, worldwide broadcasts of every race were accompanied by a commercial showing Formula 1 legend Jackie Stewart declining a Heineken beer 14 times with the words 'No thanks, I'm still driving'. We now have a very successful partnership.'

How important was Heineken in the return of Formula 1 to Zandvoort?

'To be honest, I think there is one single determining factor; if the Netherlands didn't have a top competitor in Max Verstappen, it would not have happened. It was pure luck that we had just entered Formula 1 before Max-mania started.'

What role does sustainability play in your choices?

'Heineken beer is made of pure natural ingredients: malted barley, water and hops. Our unique A-grade yeast is responsible

for the crisp taste. You could say we are actually an agricultural company. Our commitment starts before production and ends only after consumption. This ranges from sustainable growth of our ingredients to incentives for consumers to dispose of packaging responsibly. Unfortunately, there is no blanket solution for sustainable sponsoring. We try to use best practices, but the situation is different everywhere. In a country where water is not as abundant as in the Netherlands, cleaning glasses at events is less feasible. In other places, facilities for plastic recycling may be scarce. A lot of thought goes into finding the best alternative for each situation.'

What advice would you like to give our students?

'Participate in student life. As an employer, we look for people that are socially intelligent and who have demonstrated a passion for getting things done. This is an excellent time to try to find out what your strengths are. You are bound to make some mistakes, but so what? Consider yourself lucky if it happens when you are young. This helps to find out who you are and to enter your working life as a stronger person.'

‘What I like about working with students is not only that I get to teach them something, but also that the students can teach me something as well’

Meet Chen Li

‘My name is Chen Li and I am Assistant Professor in Behavioural Economics. I was born in China where my parents were both high-school teachers. As a child, I wanted to become a teacher as well and I always liked explaining things to my friends and classmates. I find the field of Behavioural Economics very fascinating, because it combines the viewpoints of psychology and economics, provides new observations, and allows us to design new ways to help people make better decisions.

That I became an Assistant Professor was actually quite coincidental. At the time, I was doing an internship at an asset management company and although it went pretty well, I found myself wanting to pursue the question I was researching more deeply. However, the company environment didn't give me that luxury, so I decided to go for a PhD. Luckily, I could stay on after my studies and work for Erasmus School of Economics. What I especially like about working with students is not only that I get to teach them something, but also that the students can teach me something as well.

Besides teaching I am still doing research and I was very glad to have been awarded the Dutch Research Council grant. This is a talent programme for researchers who have recently obtained their PhD which allows them to conduct independent research and develop their ideas. In my project, I research how gender stereotypes keep people from pursuing the best path in their life. These gender stereotypes are developed early in our lives and in most cultures, people internalise these stereotypes into their decision-making process. To look into this question, I first identify stereotypes in people's minds and beliefs. Then I will come up with interventions from a behavioural economics approach to help people reduce these stereotypes in order to achieve a life path that is perhaps more suitable to them, as if there were no stereotypes.

In one of my other research papers I co-authored called 'Trust as a Decision under Ambiguity', I looked at how people's irrational attitudes towards uncertainty and inaccurate beliefs about other's trustworthiness affected their decisions when it comes to trusting others. We found that people who are too ambiguity averse are less likely to trust others. At the same time, their decisions are not effectively guided by their beliefs. They trust people who are not that trustworthy too much, while trusting people who are quite trustworthy too little. This results in inefficient and suboptimal outcomes, as trust is actually a very good thing in society. Trust makes the entire social network more fluent and smoother.

One thing I learned from a student was that trust is something we were born with. This student had a very severe brain injury and as a result, he had lost all his memories: no language memory and no memory of social norms. He told me that one day, he rode a bike to the supermarket and went straight inside, without locking the bike. His mum told him that he had to lock his bike. The student reacted shocked and asked why this was necessary. I was enlightened by this example. It shows that trust is something that is innate but then lost later on, at some point in our lives. This example strengthens my belief that we can work towards building more trust among people in a society. 

Jan Tinbergen

our most influential economist

Jan Tinbergen was a renowned economist and one of the founders of econometrics as an academic discipline. Most of all, he was a man whose dedication to poverty alleviation and fighting economic inequality on a global level showed throughout his impressive career. Explore this timeline which highlights several key moments in Tinbergen's life and the history of Erasmus School of Economics.

Praise from the queen

The Netherlands School of Commerce, the predecessor of Erasmus School of Economics, was founded via a private initiative with broad support from the Rotterdam business community.

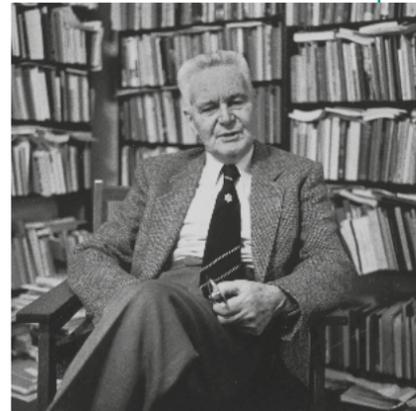


'May this institution bear the fruit that we hoped for, and may it bring forth a thriving Dutch trade'

Congratulatory telegram from Queen Wilhelmina on the occasion of the opening of the College, 8 November 1913.

1913

1933



Economics in academia

The Netherlands School of Commerce was renamed to Netherlands School of Economics after statutory recognition of higher education in commerce and economics as an academic discipline.



1939

1945



Rebuilding the economy

Right after the end of the Second World War, Jan Tinbergen became the first director of the Netherlands Bureau for Economic Policy Analysis (CPB) until 1955.



Bron: nepk.nl/nl

Rotterdam glory

Tinbergen was honoured for his contribution to the international fame of Rotterdam and its university with the Van Oldenbarnevelt medal, the highest award of the city.



The Tinbergen Way

Professor of Labour Economics and Policy, Anne Gielen, gave a speech commemorating Tinbergen's legacy during the university's Dies Natalis: "Tinbergen's vision was the main driver behind his research, always grounded to solve social problems he observed. The topics of economics changed because of his sense of responsibility for society. It was his mission to make the world a better place."

1987

1969



International recognition

Jan Tinbergen, along with Norwegian economist Ragnar Frisch, received the Nobel Prize for Economics for their groundbreaking research in the development and application of dynamic quantitative models for analysing economic processes. They were the first to receive the prize for the discipline in Stockholm, Sweden.

2021

Honouring the founders

Jan Tinbergen and renowned fellow econometrician Henri Theil founded the Econometric Institute in 1956. The institute has since become one of the most influential research institutes in econometrics worldwide.



Ester Dufo Continuing Tinbergen's legacy

French-American economist and Nobel Laureate Esther Dufo is well known for her work in developmental economics. In 2019, Dufo received the Nobel Memorial Prize in Economic Sciences along with fellow economists Abhijit Banerjee and Michael Kremer for their experimental approach to alleviating global poverty. That same year and prior to winning the Nobel Prize, she also received an honorary doctorate from Erasmus School of Economics by recommendation of professors Olivier Marie and Dinand Webbink. Her work echoes Jan Tinbergen's devotion to improving peoples' livelihoods and truly emphasising the 'social' aspect of economics as a social science.

2019

How modelling supply and demand interactions

improves services like Thuisbezorgd.nl

By: Shadi Sharif Azadeh

On-demand systems (think of Uber or Thuisbezorgd.nl) provide consumers with real-time access to mobility services, as well as services that transport goods. Thanks to the advancements in information technology, these on-demand services can combine real-time information, trip planning, and booking to offer requested services at competitive prices. Operations research applies mathematical analysis to solve problems and optimise processes within businesses like in this case, on-demand service providers.

$$p = \sum_{i=0}^{\infty} x_i$$

'Forty-five percent of consumers will not choose the service if punctual delivery service is not provided'



With on-demand services, the benefit from the demand side is that consumers have access to customised options and an efficient and integrated transportation network. Customers are provided with the comfort of personalised and fast services at their associated affordable price offered by these operators. On the supply side, companies can benefit from a system that better uses available resources and is profitable by accommodating a larger number of users and offering personalised options. With operations research and the theory of discrete choice models we can achieve this goal.

There are relevant examples for both on-demand mobility and city logistics in the Netherlands. For instance, Mobility Mixx is a company that offers a range of mobility services, including public transit, rental cars, carpooling, bike sharing, and taxis. This company provides tailored services to travellers and offers payment and trip scheduling options. Also, Thuisbezorgd.nl provides customised food delivery services where the delivery options are tailored according to the requests of customers.

Even though demand and supply closely interact in such service companies, these two research fields have evolved independently, without paying too much attention to the existing interdependencies between the two. Indeed, incorporating the preferences and tastes of customers, which are usually characterised with discrete choice models, allows for a better planning of the systems for the operators.

The design and organisation of such systems are typically addressed with optimisation models. Together with my colleagues at EPFL in Switzerland, we propose a general framework that allows integration of behavioural models with optimisation. To illustrate how the framework can be used, an application on revenue maximisation is considered. The performed experiments show that the resulting



Shadi Sharif Azadeh is Assistant Professor at Erasmus School of Economics' Econometrics department. Her research is focused on integrating choice models with optimisation models.

formulation is a powerful tool to plan systems based on differences in customer behaviour.

In a separate project with my colleagues at MIT, TU Delft, and EPFL, we have proposed an algorithmic framework to optimise demand mobility services. Each time a new customer arrives in the system, a customised travel service is offered. We show that with the help of assortment optimisation and dynamic pricing, the service company can better use the available vehicles and as such reduce operational cost while complying with the preferences of the customers.

I have been working on developing mathematical models and algorithms for user-centric last mile delivery applications like Thuisbezorgd.nl. The operation of on-demand logistics is an expensive task which cannot benefit from the economies of scale. In addition, such systems operate in a highly uncertain environment in which demand must be responded to in real-time. Failing to satisfy this demand leads to profit loss. Forty-five percent of consumers will not choose the service if punctual delivery service is not provided. This is a big challenge for such companies. I have started collaborating with TU Delft, Thuisbezorgd.nl, and PostNL within a Dutch Research Council research fund to introduce new models to tackle this problem using their data.

Thuisbezorgd.nl is an on-demand logistics provider which operates in the food industry. Our developed approach uses real-time data and provides a planning approach for its operation. Our second case focuses on providing home healthcare supply which is provided by healthcare organisations. PostNL recently established a logistic service to provide medical devices from pharmacies and medical centres to patients. Our proposed optimisation algorithms aim at improving the services for both companies, taking behavioural aspects of consumers (in the case of Takeaway.com/Thuisbezorgd.nl) and patients (in the case of PostNL) into account. ◀



Diederik Schipper
Master Financial Economics

'What we learn with pleasure we never forget'

Study

Meet our Students

By: Madeleine Kemna

Our students excel both within and outside of their study programmes. Meet some of the students that combine their study at Erasmus School of Economics with extracurricular activities, such as top sport, politics and voluntary work.

We sit down with students **Ricardo Cordeiro de Sousa**, **Anika Mishra** and **Alycia Colijn** to talk about their experience, ambitions and advice for fellow students.



Study Sustainability

MEET RICARDO CORDEIRO DE SOUSA

'I was born and raised on the Portuguese island of Madeira. After high school I felt the urge to spread my wings so I took a trip to Scandinavia to see whether I would like to go to university there. On the way North, I travelled through the Netherlands and fell in love with the place. My purpose in life is to bring a positive influence in the lives of others in the hope that they pass it on wherever they go. Rotterdam is such an international place that you are guaranteed to meet people from many different backgrounds, which makes it really attractive to me.'

I have been involved in sustainability projects since day one. It started with cleaning the campus to get rid of all the plastic. This even included a dive in the campus pond. In my second year, I became a board member of a sustainable student movement that subsequently merged with the Erasmus Sustainability Hub. With over 80 active members, we are one of the largest student sustainability clubs in Europe. During our Refuse Plastic project we collected all the plastic packaging from products we bought at our supermarket for an entire whole month. We wanted to create a plastic attack 2.0: we put all our plastic in cardboard boxes which we sent to a supermarket's headquarters with a letter outlining our concerns. It almost coincided with an announcement by the company that they were going to experiment with doing away with packaging for several products. I can't claim that this was entirely because of our initiative, but it probably helped because we had quite good media coverage.

In my third year I did a lot of volunteering for a charity called Jarige Job, which makes sure children whose parents can't afford a birthday party will receive a birthday box that helps them to celebrate at home and in class. I also became team leader at Ecocoin, one of the first sustainable currencies in the world. It is used to reward people who participate in sustainable initiatives. With the Ecocoins in your wallet you can obtain products, services or discounts from our partner companies. During the corona crisis outbreak we had about 250 participants on campus and we were definitely on an upward trajectory.

'I want to work in a position where I can make a difference'

When the campus closed at the time, student life risked coming to an abrupt halt. However, I felt that there was no need for us to self isolate in a social sense. I teamed up with Femke, a first year Economics student, and we created an online platform where all student organisations could continue activities, called Stay Rotterdam. These organisations are the glue of the student community. Over 550 people joined and we have organised activities ranging from public speaking courses to murder mystery evenings and a beer cantus. I think Stay Rotterdam shows that for my generation the boundary between online and offline is fluid (if it exists at all), which makes us very resilient.

After I complete my Bachelor's degree, I intend to continue with a Master in Behavioural Economics or Global Business Sustainability, but I eventually want to work in a position where I can make a difference. I dream of a job at the United Nations, but I would also like to take up the challenge of helping a company that has not yet embraced sustainability to take some meaningful steps in the right direction.' <



Study Voluntary Work

MEET ANIKA MISHRA

'For students from India it is not easy to find a good European English language Bachelor in Economics. My research showed that the Netherlands has very good public universities and when I compared them I felt that the structure offered at Erasmus School of Economics was best for me. I have been pleasantly surprised at the widespread use of English in the Netherlands, it has really helped me to feel at home.'

From a very young age I have been involved in community voluntary work. I was raised with the idea that if you have a good life, it is important to help others who are less fortunate. I am very grateful that the university has made it possible for me to find an opportunity to do the same here. In class I saw an announcement of a presentation by Forward Incubator, a company that supports refugee entrepreneurs. When I heard that they were looking for students to act as a consultant for their entrepreneurs, I knew I wanted to help.

Forward Incubator provides you with training before you start and continues to do so online every Sunday. When I started I had just finished the first block of my Economics study, which focused to a large extent on Accounting. I was very pleased that I could help my entrepreneur when he had to produce an annual report. The financial reporting we put in place has also helped him to obtain additional funding, which makes me feel really good. Consulting is usually done in a team of two or three and students get a chance to pick the company they want to work for. I chose Spotlight Team International, a social enterprise founded by Mostafa Betaree, a former refugee from Syria. When Mostafa obtained permanent residence in the Netherlands, he decided to help people in refugee camps to integrate in Dutch society. He does this by giving them a chance to use their creativity in art projects. At Spotlight, we work with the groups for a year. Participation is completely voluntary. The trauma that most refugees experienced means that it is not easy for them to trust others. Rehearsals are also used to build up their confidence to perform before an audience that is completely foreign to them.

The stories of the performers are very poignant. I remember a girl who originally came from Syria, but who

is now stateless. In order to have a chance at completing her education here, she had to learn Dutch and English. She told me that she felt very much alone without her family, having to learn two new languages without being certain whether she would actually be allowed to use them for a study eventually. Being able to dance when she came to us was one of the few moments that brought her happiness. My work has made me realise that we all have different backgrounds but that cooperation and communication is key to bridging cultural gaps.

My five-month term as a consultant with Forward Incubator has now ended. As an ambassador, I am still affiliated with them, but I have also decided to continue my work for Spotlight because its mission is very close to my heart. After I graduate I would like to work for an investment bank, but eventually I will go back to social enterprises.' <



'My work has made me realise that we all have different backgrounds but that cooperation and communication is key to bridging cultural gaps'

Study Politics

MEET ALCIA COLIJN

'In high school I already knew I wanted to study Economics. By coincidence I attended an open day for Law and realised I would enjoy both. This combination has worked out really well for me. I have always had the ambition to become involved in politics and my Economics study has given me the tools to make an informed contribution to the discussion on what politicians spend our money on. My background in Law helps me to understand how legal boundaries shape the outcome.'

In the Netherlands, there are several associations that have teams for the Model United Nations. I was part of the one run by students in Nijmegen, called the United Netherlands. It offers young people a chance to prepare for a future career in politics or diplomacy. There are two selection rounds: two debates with other applicants and an interview with the organisers. It is not easy, but it helps if you are someone who follows the news actively. I would also advise anyone applying to obtain information from sources that are perhaps less obvious for someone in Europe. By watching news channels from the Middle East, I noticed that the way current affairs are presented to us implies a certain outlook on the world. This is something most of us don't realise, but it is important if you want to engage with representatives from other parts of the world.

Every Friday, the United Netherlands team attends training from 9 to 5. This has helped me with public speaking and also taught me how to negotiate to reach a win-win situation. The real fun part is of course the simulation with other teams. We attended one in Oxford and one at Harvard. There is no official link with the real United Nations, but when we were discussing Rights of Persons with Disabilities (the topic in which I specialised) the discussion became very real to me. My team argued for a radical overhaul of the education system to make it more accessible to people with mental and physical disabilities. I have become convinced that this is really necessary.

'What good would it do to make policies for people who live a life you have never experienced yourself?'

It was also interesting to meet students with very different backgrounds. I remember someone from Venezuela actually bursting into tears when she told me how her government had cut off all electricity for three days as a reprisal against anti-government demonstrations. It makes you realise how lucky we are to have real freedom of speech in our country. Another thing that struck me was the attitude of US teams. They have many of these meetings throughout the year, which results in a ranking of participants. Those who do really well can earn scholarships and university placements so for them it was also a competition with high stakes.

The fact that my Master Data Science and Marketing Analytics has given me extensive experience with data science proved very valuable in the discussions, since I was often the only one who could interpret what the numbers would mean for various policies.

I am now looking for a job with societal impact in which I can use data science. Ultimately, my ambition is to become a politician, but I want to get a taste of real life first. What good would it do to make policies for people who live a life you have never experienced yourself?'



Carien Kathalina van Eijkeren
Double Degree in Economics and Law (in Dutch)

'Studying economics allows you to be part of a picture that's greater than just yourself'

From Rotterdam with love

By: Jelle Simons

Staisy Kaptusarova exchanged Russia for Rotterdam.
And she would do it again, she explains.

We agreed to meet at Erasmus University, my old and her current school. The campus has changed a lot over the years. There is a food court these days. A proper food court, not the shabby soup kitchen I had to deal with in my younger years. There is even a Starbucks. No need to muse over the good old days, that's for sure. English seems to be the lingua franca, although the farrago of accents shows that students from all corners of the globe are enjoying college life in Rotterdam nowadays. Staisy Kaptusarova is one of them.

Staisy was born in Moermansk, but attended high school in St. Petersburg. According to Staisy, the Presidential Physics and Mathematical Lyceum of St. Petersburg No. 239 (her former school)

is pretty good. According to Google, it is one of the best schools in Russia. After her graduation, Staisy decided to study in Western Europe. She heard promising stories about Erasmus School of Economics in Rotterdam, so she travelled to the second city of the Netherlands to determine whether the school and city met her expectations. Staisy was impressed with what she saw: 'The first thing I noticed was the number of international students over here. It is a truly international institution. Even Dutch students speak English, so you don't have the feeling that you're not really part of the college community, because you don't speak the language. I also appreciate the way students and professors interact with one another. It is very cordial and informal. You don't see that in Russia. Or at least not in that degree.'

Anastasiia (Staisy) Kaptusarova (1997) comes from Russia. Before moving to Rotterdam, she lived in the cultural capital of the country Saint-Petersburg. She completed the Double Bachelor Econometrics and Economics and is currently pursuing the Master Business Analytics and Quantitative Marketing at Erasmus School of Economics. Staisy worked as a teaching assistant and mentor at the University and as an ambassador for Erasmus School of Economics next to her studies. She is also a Sports Centre coach and founder of the dance team "Rotterdam Cheerleaders".

Erasmus University gave her a favourable impression, but the city stole her heart. 'When I came to the Netherlands, I visited a number of Dutch cities, but I found Rotterdam to be the most dynamic. Besides the stunning architecture, there is a great atmosphere in this city. People seem to live a balanced life. During the day they focus on their jobs, but at night there is always time to relax and unwind. And Rotterdam provides plenty of opportunities to do that. People don't just exist, but actually live, and that really appeals to me. My favourite part of town? Well, I'd say the area around Blaak. I love Markthal and Hoogstraat. It is an attractive shopping district, but it also has plenty of bars and restaurants where you can meet with friends and just relax. Again, it is very balanced over here, which makes it a very enjoyable place to live.'

Modesty is regarded to be a virtue in many countries, Russia included, so it seems. Staisy is a gifted student who was educated at a prestigious school. She studied econometrics and economics, was rewarded with internships at Nationale Nederlanden and Unilever and is currently studying for a Master's degree in Business Analytics and Quantitative Marketing. Companies are already

lining up to woo her. She acknowledges that she has 'good opportunities in the job market,' but that's all she has to say about that, after which the conversation meanders into other areas. The word 'balance' seems to pop up in every subject that we discuss. When asked whether the Dutch can learn something from the Russians, she answers: 'Dutch people don't really open up. They like to talk about the weather, football and other general subjects, but they hardly ever discuss their true emotions. Russians tend to be a bit more frank about their feelings. You don't really see that over here, unfortunately.' And is there anything the Russians could learn from the Dutch? 'Be less emotional!'

Staisy fell in love with a Dutchman, so she won't return to St. Petersburg any time soon. Whether the couple will stay in Rotterdam is yet to be determined: 'We'll see how life goes. After we graduate, we will probably work for a few years, get a place of our own, and then we'll see. As I've said, I love Rotterdam, but I'd like to keep my options open. That's the great thing about living in the European Union; you can basically live anywhere you want. So, we'll see. Yes, that might be a very Russian answer.' <



Does inequality affect the way we spend?

By: Clement Bellet

What happens to our consumption behaviour when we are exposed to the spending choices of our richer neighbours? In recent research on the social determinants of consumption, I have been looking at the consequences of living in unequal economies on consumption and well-being.

'The status benefits we obtain from choosing to live in a 'McMansion' vanish once even larger houses are built around us'



Between 1950 and today, the size of the median American house has more than doubled, reaching nearly 250 square meters at the wake of the 2008 financial crisis. Despite this general improvement in the amount of private space per person, the average American household is not more satisfied with their house today than they were 30 years ago. This is all particularly paradoxical given that at any point in time, people living in bigger houses do report higher levels of residential satisfaction.

We know from decades of research in psychology, marketing, and behavioural economics that individuals assess their level of material well-being relative to some reference point. In this case, the reference consumption level may be the size of their neighbour's house. If people only care about relative house size, then doubling the size of everybody's house should not affect average residential satisfaction, as one's own rank in the distribution of house size remains essentially unchanged. While the "relative consumption hypothesis" was discussed by classical economists, from Adam Smith to Karl Marx, I empirically tested this hypothesis by linking highly detailed survey data from American homeowners to their personal experience in new housing constructions using a large dataset of millions of geo-localised houses.

When looking at the impact of new constructions, I find that only the biggest houses built in one's neighbourhood lower the satisfaction of existing homeowners for their own house, and that this effect is particularly strong for those who were living in large houses themselves. In other words, the status benefits we obtain from choosing to live in a 'McMansion' vanish once even larger houses are built around us.

Similar results have been observed in laboratory experiments across several types of consumption expenditures. However, why a particular product (e.g. a house or a car) is more or less sensitive to the

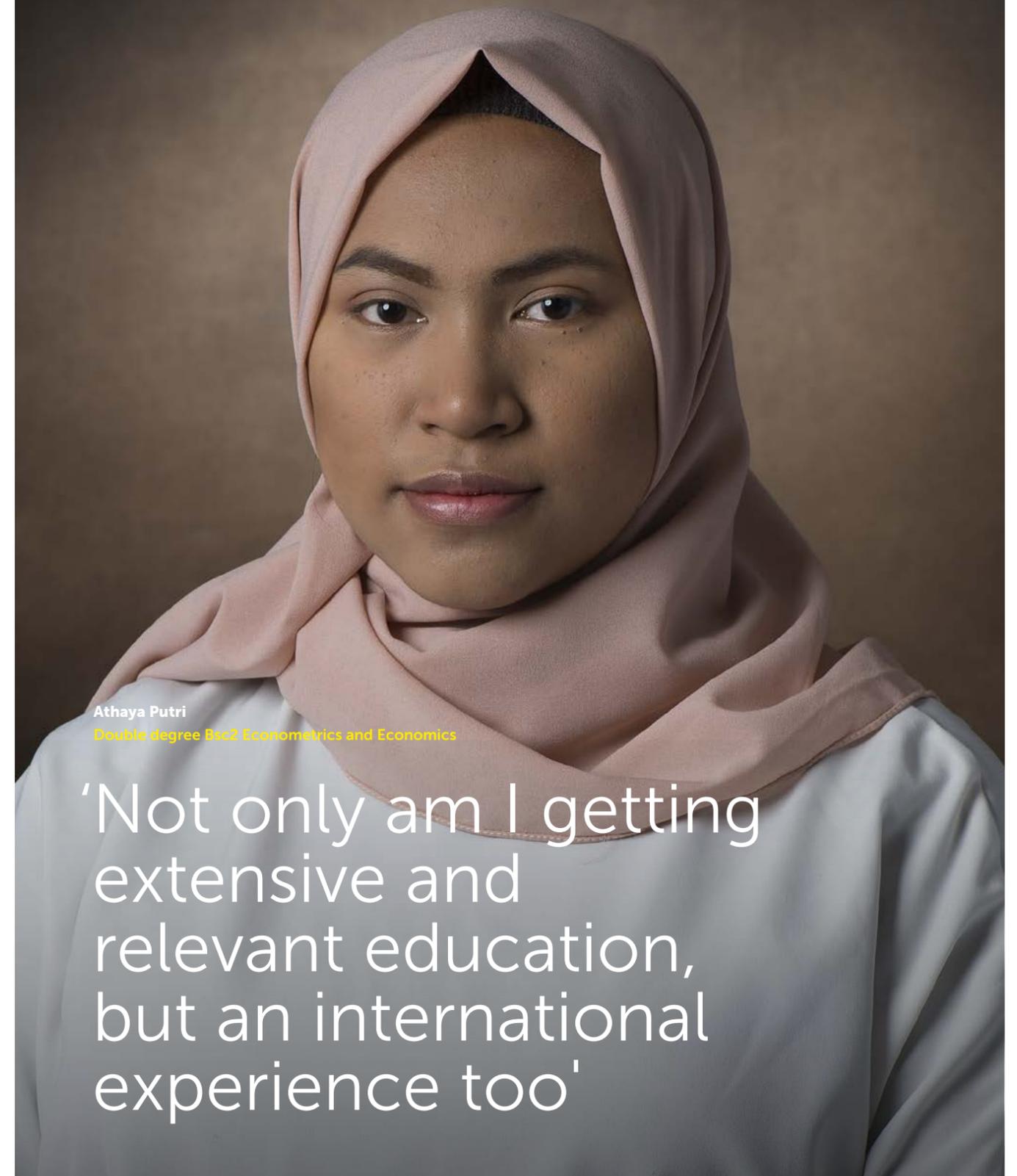


Clement Bellet is Assistant Professor at the Business Economics department of Erasmus School of Economics.

consumption behaviour of others is not well understood. What we do know is that it not only depends on the characteristics of the product itself, for example, its visibility, but also on the identity of the reference group to whom consumers compare themselves to, say their richer neighbours, and how they may be perceived.

When the reference consumption levels are determined by those who earn more money in society, inequality driven by the top of the distribution may affect the way we allocate our expenditures across various types of goods. In related research conducted with Eve Colson-Sihra (Hebrew University), we estimate the "aspirational needs of the poor", using highly detailed consumption expenditures from Indian households and a fully specified system of demand. Accounting for supply side explanatory factors, such as the relative price of products or households' own income, we isolate the impact on consumer preferences of an external change in households' level of relative deprivation within a village or region. In other words, local changes in inequality driven by national returns to particular jobs. We find that in more unequal districts, luxury goods become necessary to the poor, with dire consequences on their cost of living and calorie intake.

Does inequality also affect our preferences towards particular brands? In ongoing research, I am looking at the way the conspicuous value of luxury brands varies as a function of local changes in inequality, using the digital footprints left by consumers when they search for "Gucci" or "Louis Vuitton" compared to "Gap". Preliminary results suggest unequal markets are also marketplaces where luxury brands are perceived as being the most prevalent. However, when inequality is low, consumers tend to distinguish themselves horizontally (e.g. through a particular fashion style), rather than vertically (i.e. through the premium price that they are willing to pay for an item). More equal economies therefore do not preclude consumption. They may however, lead to more democratic consumer societies. ◀



Athaya Putri
Double degree BSc2 Econometrics and Economics

'Not only am I getting extensive and relevant education, but an international experience too'

'The way you formulate your questions will shape your reality'

By: Madeleine Kemna

Wilco van Heteren was the 1000th econometrician to graduate at Erasmus School of Economics. This may have been a lucky number, if such a thing exists in Econometrics, because he went on to have a successful career that has led him to his current position as Executive Director Research at Sustainalytics. This prestigious company provides research into impact and sustainability risks for companies all over the world. Wilco considers his work as a function of the way he wants to live, which leads to interesting choices.

During my school years, I already had an interest in computers and mathematics,' says Wilco. 'The fact that two friends were going to study Econometrics made me choose Erasmus School of Economics. Initially, I was a bit nervous because I was afraid it would be too mathematical. I got on fairly well though, finishing the first 2.5 years within the designated time. At that point, I was asked to help organise a career event and became president of the predecessor of what is now FAECTOR, the largest and most prestigious association for students interested in Econometrics, which meant that I ended up studying for five years. I was involved in discussions about the curriculum as well, expressing my worry that the study would evolve too much towards bite size chunks instead of offering a comprehensive academic education.' He laughs at his younger self for perhaps being a bit pretentious. 'What I really appreciated was the fact that I was given the chance to graduate as the 1000th econometrician at Erasmus School of Economics.'

How did you become involved in sustainability research?

'Soon after graduating, I joined the trainee programme at investment manager Robeco in Rotterdam. There were close ties between Erasmus School of Economics and Robeco so I saw many familiar faces, but after a while I realised that finishing my traineeship by rotating across the investment department wasn't going to make me happy. It proved to be a recurring dilemma throughout my career. How can I satisfy my interests in all areas of life, while doing meaningful work? Back then it meant transferring to Robeco's research department and working four days a week in order to make time for music and art. Eighteen months later, I asked my employer if I could work three days because I wanted to start part time studies in Philosophy and Art History. I had to take a step back in terms of responsibilities, but the fact that I could assist the investment managers in reporting tasks and other chores provided an income which allowed me to pursue my intellectual curiosity. It was 2002 and Robeco's sustainability department was taking shape.

'Analysis for sustainable investments turned out to be what makes me happy'



‘Growth brings out the best in you. It often takes you to areas where you might not have gone otherwise and offers you a chance to work with people who are more skilled or experienced in that particular field’

I was assigned to this newly evolving team because I had assisted with the launch of their first sustainability fund when I was a trainee.

Whether this return to sustainability was a coincidence or serendipity, analysis for sustainable investments turned out to be what makes me happy. It fits my vision that we should all try to work on a sustainable future while recognising that this can be done in different ways, depending on your circumstances. Around the time that I went back to working full time, sustainable investing took off. This meant that there were plenty of interesting things to do for me professionally. My network grew while the industry matured and that is how I ended up working for Sustainalytics.’

Can you tell us a bit more about Sustainalytics?

‘Sustainalytics is a research provider that generates sustainability ratings of companies. You can call us the sustainability counterpart of credit rating agencies such as Moody’s or Standard & Poor’s. The company is the result of a merger of various research companies of which Jantzi Research (founded in Canada in 1992) is the oldest. There is an important Dutch influence, since the sustainability think tank founded by the PGGM pension fund, ethical bank Triodos, and FortisMeesPierson has been part of Sustainalytics since 2009. Today, Sustainalytics has over 600 employees in 12 countries.

Although this success enables us to have more impact, it also poses several challenges.

We used to have the culture of an NGO with a strong emphasis on contributing to a better future. Nowadays, it feels more corporate, but we are still a group where everyone is driven by a sincere desire for a more sustainable world. With the growth, we have seen an acceleration of professionalisation and sophistication. This means that some of the people who have been with us since the beginning are now finding it hard to keep up. However, the organisation places a strong emphasis on treating its employees well. People who have given us their best and who continue to show real commitment will be offered another position within Sustainalytics. Efforts to realise this run from the very top to all parts of the company.

The growth has also meant that I am sometimes put in a position where I have to work with people whose approach is very different from my own. In my experience, this brings out the best in you. It often takes you to areas where you might not have gone otherwise and offers you a chance to work with people who are more skilled or experienced in that particular field.

I have a lot of respect for the North American branch of our company, which has a real can-do mentality, whereas I am



Wilco van Heteren (1974) is Executive Director at Sustainalytics. In 1997 he graduated in Econometrics at Erasmus School of Economics, after which he started his career in asset management at Robeco Group. In 2012 he obtained his Master’s degree in Philosophy at Leiden University. Living close to a national park, Wilco loves to walk in nature. Otherwise he spends his free time reading, writing, and trying to integrate philosophy in economics, physics, and arts.

naturally inclined to take a step back and reflect. It has taught me the importance of combining the necessary reflection with an impulse for action. I really enjoy the freedom our company gives me to find my own balance in this area and to put this into practice when managing my team. If necessary, I will call people out for missing their targets of course, but I will always maintain a holistic approach.’

The other industry leader, RobecoSam, also has Dutch roots. Is this a coincidence?

‘Not entirely. Globally, you can identify regional differences in sustainability culture. In the Netherlands you find the North-western European approach, which has a history of focusing on the future. This is something the Dutch have always been forced to do because we are a small, trading nation that depends on other countries for its success. In addition, a large part of our country is below sea level. The threat of the water could only be faced effectively by taking a joint approach, which has ingrained the famous ‘polderen’ (reclaiming land from the water) in our DNA. Perhaps this explains why the Netherlands is used to thinking about the future in an environmental sense as well as a financial sense (pensions and economic development). However, I don’t want to downplay the importance of initiatives in other countries. The fact that more than 70% of the staff in our Dutch office is of foreign origin is a testament to the fact

that the sustainability effort is very much a global phenomenon nowadays.’

How does Sustainalytics measure the sustainability of companies?

‘We think along several axes. One measures the impact of the company, while a second one looks at the risks posed by the outside world. There are more distinctions, but that probably goes beyond the scope of this article. Examples of things we measure on the first axis are a companies’ environmental impact such as contamination and the way they deal with social issues like treatment of workers. The second axis gives us an idea how well companies are managing preparations for climate change for instance. In that case we define and calculate the remaining unmanaged risk.’

What makes working for Sustainalytics so special?

‘We are an entrepreneurial company that can act fast. All our people need to have a mental agility to spot areas for improvement or opportunities and act on them. We value partnership within the company and with our clients.’

Do you have a tip for our students?

‘Choose an elective of a more contemplative nature. Find out what trying to capture the world in models means. The way you formulate your questions will shape your reality.’

Erasmus School of Economics in numbers

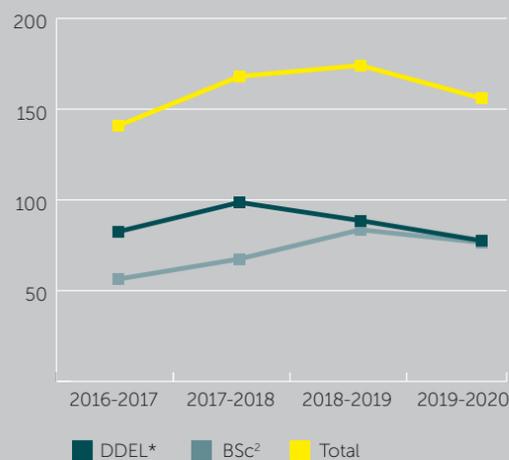
Erasmus School of Economics competes with the best universities in the world. To provide our students with the best opportunities we offer our students a variety of study programmes and lectures by top researchers. Here are some of the essential facts & figures about Erasmus School of Economics.

Bachelor

We offer the following Bachelor's degree programmes

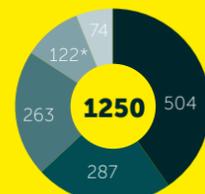
- (International) Bachelor Economics and Business Economics
- (International) Bachelor Econometrics and Operations Research
- Bachelor Fiscale Economie
- Double Bachelor BSc² Econometrics and Economics
- Double Bachelor in Economics and Philosophy of Economics
- Double Bachelor in Econometrics and Philosophy of Econometrics
- Double Degree in Economics and Law (in Dutch)

Number of students studying a double degree

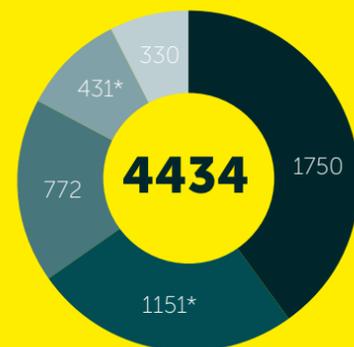


* Double Degree in Economics and Law (in Dutch)

Total number of first year students



Total number of Bachelor students



- Economie
- IBEB*
- Econometrie
- Econometrics*
- Fiscale Economie

* including BSc2

Master

58%



of the students who obtained their Bachelor's degree at Erasmus School of Economics in 2018-2019 have **started the subsequent academic year with a Master's programme** at Erasmus School of Economics.



Econometrics is listed as **number 3** on the list of university degrees with the best job prospects in the Netherlands. *Source: UWV*

Erasmus School of Economics offers **5 Master's degree programmes**, with a variety of specialisations

MSc in Economics and Business

- Behavioural Economics
- Data Science and Marketing Analytics
- Economics of Markets and Organisations
- Financial Economics
- Health Economics
- Strategy Economics
- International Economics
- Marketing
- Policy Economics
- Urban, Port and Transport Economics

MSc in Econometrics and Management Science

- Business Analytics and Quantitative Marketing
- Econometrics
- Operations Research and Quantitative Logistics
- Quantitative Finance

MSc in Accounting, Auditing and Control

- Accounting and Auditing
- Accounting and Control
- Accounting and Finance

Research Master programmes

- Research Master in Economics
- Research Master in Business Data Science

MSc Fiscale Economie

- Directe Belastingen
- Indirecte Belastingen

For more information about our study programmes please visit: ese.eur.nl/education

'I've met friends for a lifetime here'

By: Anna Deems

What is student life like when you study far away from home? Two international students of Erasmus School of Economics, Andreea Barbu and Sigita Lapina, tell us everything about it: 'Apart from the weather, it's perfect here.'

Throughout Europe there are quite some options for studying abroad. What made you choose the programme here?

Andreea: 'Erasmus is very high in the rankings and a friend of mine who studied here told me about all the advantages. Additionally, I love travelling and had never been to the Netherlands before. It's also very easy to visit other countries from here.' **Sigita:** 'For me it was just about the university. I wanted to do something with mathematics and not become a teacher, which is basically the only thing you can do in Latvia. Since you can't study econometrics there, I looked for options abroad. I checked out possibilities in Amsterdam and Tilburg as well, but liked Rotterdam the most.' **Andreea:** 'I like the country as a whole, but out of all the places I've visited here Rotterdam is my favorite. Having both green and urban parts make it a really nice city.'

Is your experience so far what you expected beforehand?

Andreea: 'It's more than I expected! I thought you'd just go to classes, study a lot and maybe have drinks with your friends every now and then. But I really made friends like back home in Romania, whom I'm sure I'll be friends with for a long time.' **Sigita:** 'It was very challenging in the beginning: all these adjustments, meeting all these new people. It was overwhelming and exciting at the same time. But I quickly had a group of friends who had my back, I know that they'll be friends for a lifetime.'

Andreea: 'I found it challenging at first as well. I came alone here and had never lived by myself. It took a while to get to know people, but especially in my second year a steady group of friends emerged. I've had my ups and downs, but now I really enjoy it and I will do my Master here as well.' **Sigita:** 'I'm not sure what I expected exactly, but there is so much going on and that's so cool. Every time I look at Facebook there's a new event and at the university there are so many companies paying a visit to our campus.'

Packing up all your belongings, moving to a different country where you don't know anyone – it's no wonder that getting settled in requires some time and effort. Both Andreea and Sigita stress that there are plenty of people willing to help.

Andreea: 'The university helps out a lot with tutorials and mentors. One of the things that worked out very well for me was setting small goals. Students also like helping each other.' **Sigita:** 'The first FAECTOR-weekend helped me greatly, the people who organised it became my friends instantly and helped me out with basic stuff such as books and setting up a bank account.' **Andreea:** 'At first I focused mainly on my studies because the first two blocks were very challenging. Later I focused more on my social life, which helped me through periods of stress and homesickness.' **Sigita:** 'You have to remember: you're never alone in this.' **Andreea:** 'And you need to be motivated, that will help you through everything.'



Andreea Barbu (1998) is Romanian and moved from Râmnicu Vâlcea to Rotterdam three years ago. Aside from studying Economics and Business Economics with a major in Marketing, she works part-time as a marketing officer. She is also active in the Eastern European Student Association and as ambassador for Erasmus School of Economics.



Sigita Lapina (1999) is from Latvia and moved from Riga to Rotterdam to do a double degree in Econometrics and Economics. She is majoring in Marketing. Next to her studies, she is chairman of the Freshmen Committee of FAECTOR, project manager at the Happy Student Society, and works as a social media student assistant for Erasmus School of Economics.

'Studying abroad has brought me more than I expected'

How is student life here compared to your own country?

Sigita: 'A cultural difference is that Latvians are very introvert, while Dutch people are more extrovert. Another thing is the beer drinking culture here, we Latvians drink other stuff. But I got used to it, haha. The food is also different, I gained weight at first. I tried all the fried things and when I had 'stropwafels' I just had to finish the entire package! Academically, the biggest difference is that Latvian universities are not that great in comparison.'

Andreea: 'In Romania, the universities are good but not for economics. And what I hear from my Romanian friends is that they're not internationally exposed, whereas at Erasmus School of Economics there are students with 91 different nationalities. I do feel like Romania is becoming more westernised and diverse. There are more festivals in the summer now, for example. Western Europe is very social, Eastern Europe is learning from that.' **Sigita:** 'It's the same in Latvia. In some parts you feel like you're still in the USSR, but when you're in the capital it's like: 'Ah, we're in Europe!'' **Andreea:** 'Same in Romania, although in a different way. We have a mix of Hungarians and Romanians, which creates a battle of nationalities.'

Do you observe cultural differences within the Netherlands as well?

Sigita: 'Only in the accents, the 'g' can be soft or hard.' **Andreea:** 'And weather-wise, some parts are a bit colder. There's so much wind here by the way, we don't have that in Romania. Apart from that everything's perfect here.'

Andreea finds it funny to be interviewed about studying abroad, since as an ESE-ambassador she's normally the one to interview possible new students about why they consider coming here. As chairman of student organisation FAECTOR, Sigita is involved in organising events for freshmen.

What advice do you give aspiring or freshly arrived international students?

Sigita: 'Whether it's just going to the gym, joining a student association, or taking dancing classes – don't focus on studying only. Sometimes I feel like I should prioritise my studies more, but I prefer a good life to finishing everything in time. And if you take care of having a plan and time management, you'll come a long way.' **Andreea:** 'I agree, it's like Sigita read my mind. Maybe pick just one activity in the beginning. You have to find a balance between your education and your social life. Otherwise you'll either miss out on making friends or you'll get kicked out of the programme. Activities help you to get to know yourself, which will help you later in life as well. For example, working in different organisations has improved both my soft and hard skills a lot.'

Would they recommend studying abroad here?

The answer is a resounding 'yes'. **Sigita:** 'It's going to be amazing.' **Andreea:** 'It doesn't have to be Erasmus School of Economics necessarily, you have to choose what inspires you. But I do recommend Erasmus University highly. The fact that you're exposed to so many cultures here is so exciting!'



The power

of the birth control pill on fertility, education, and crime

By: Olivier Marie and Kyra Hanemaaijer

What is the impact of improved access to birth control on a woman's decision to marry and have children? How much can this affect her decision to invest in her education? And could this have long term effects on her children's behaviour such as criminal participation? Professor of Labour Economics Olivier Marie researches such issues with the goal of developing a comprehensive framework on understanding which mechanisms matter to explain certain individual behaviours.



'Religious gatekeepers were almost three times less likely to prescribe the pill to unmarried mothers or even young engaged women'



His latest research projects explore how women's and children's outcomes might be affected by 'the power of the birth control pill'. Together with Esmée Zwiers (Princeton University), he looks at this in the context of the liberalisation of access to this new birth control technology in the Netherlands in 1970. While the Dutch pharmaceutical company Organon already created an oral contraceptive (Lyndiol) in the late 1950s, it was not permitted to openly display, offer, or advertise this pill because of restrictions imposed by the Morality Act. After its repeal in 1969, the contraceptive pill became available to all, and especially for the very first time to women aged under 21.



Olivier Marie is Professor of Labour Economics at Erasmus School of Economics. His research fields are among others, labour economics, economics of education, micro-econometrics and public economics.

Studies on the impact of its increased availability in the US have shown that it has led to women postponing marriage as well as a decrease in likelihood of them having a child in their early twenties. By giving women more control over their fertility decision, the cost of making long-term career investments decreased and more women pursued advanced degrees and started participating in the paid labour force. However, a recent study from 2007 has re-tested these claims and concluded that it was not the pill that had a substantial impact on these young women's fertility and education decisions. With the strong revival of religious pro-life movements in the US, but also in the Netherlands where groups such as Platform Zorg voor Leven (Platform for Care of Life) were spreading an anti-contraception message, research on this topic remains essential. Clarifying whether the pill does or does not have a causal impact on outcomes for women and their children has gained renewed relevance to understand the consequences of changes in birth control policies around the world.



Kyra Hanemaaijer completed the Double Bachelor and Master in Economics and Law. She has recently started her PhD at the department of Economics at Erasmus School of Economics.

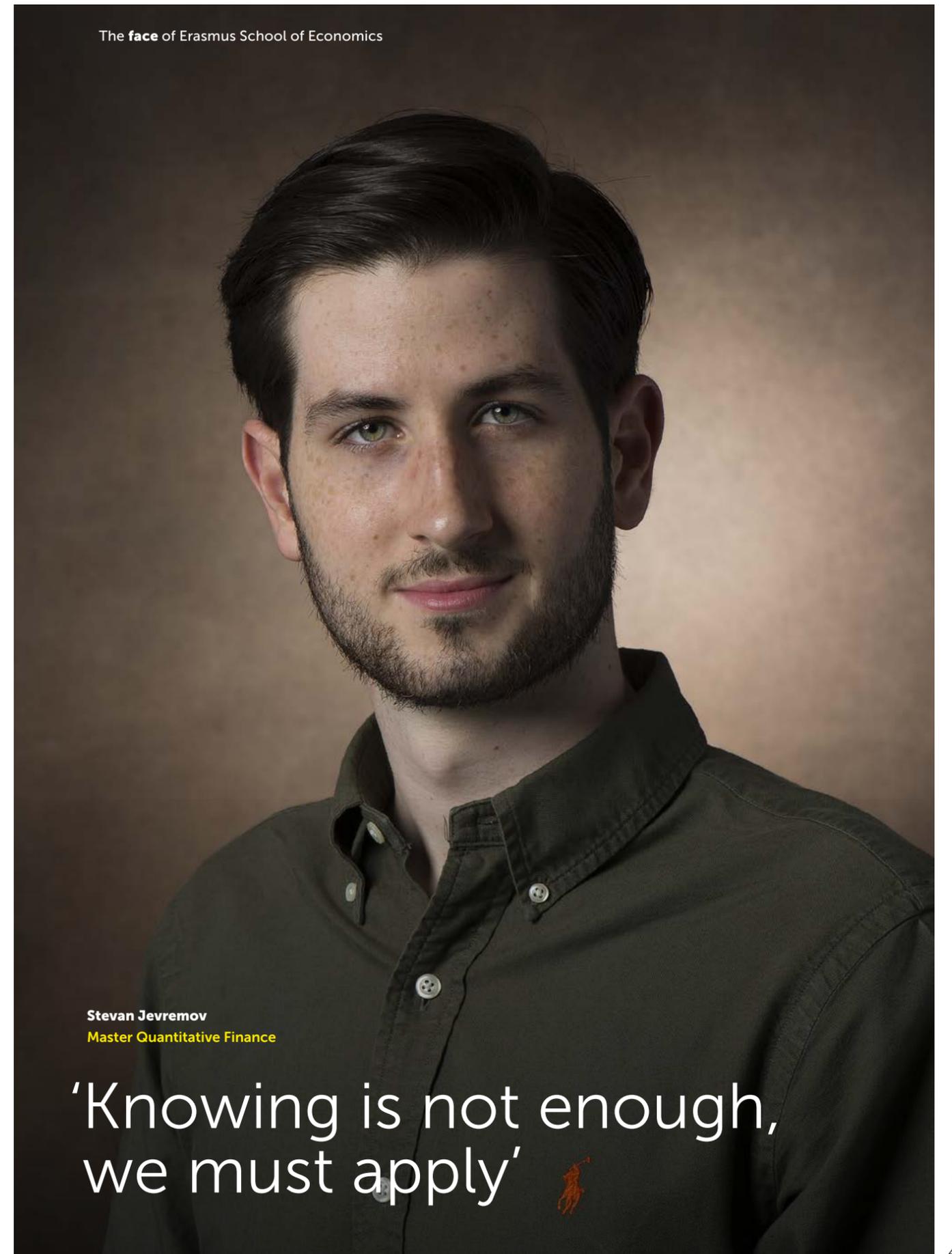
A very novel aspect of this research is that it proposes to look at both the demand (i.e. women requesting) and supply (i.e. doctors prescribing) sides on pill usage after access liberalisation. This demand is influenced by 'area level social norms' as measured by the share of votes in a municipality for religious conservative parties that voted against the repeal of the Morality Act in the 1970 election. This matters, as

women who vote for such parties are much less likely than any other groups to use the pill. The supply is determined by 'gatekeepers attitudes' which depend on the proportion of health professionals in each municipality who self-declare as religious in the 1971 census. This is important as religious gatekeepers were almost three times less likely to prescribe the pill to unmarried mothers or even young engaged women.

In the short run, it shows that women were much less likely to become mothers as minors or to end up in a 'shotgun' wedding (i.e. getting married seven months or less before a birth) if the area social norms meant that the pill was much more likely to be accepted in their residing municipality. However, this was only the case for women who lived in areas where the pill gatekeepers were less religiously resistant to its introduction. In areas with a majority of religious health professions, no effect was found, showing that it is crucial to take into account supply side aspects of birth control access liberalisation.

The study also explores how increased fertility control might have impacted women's longer term outcomes. It finds that an increase of 10% in area level support for parties in favour of the pill increased the probability of not having a child before age 30 by more than 10%, giving these women more options to invest in education. Preliminary results indeed show that the probability of graduating from higher education significantly increased for these women and this paid off in the longer run as they ended up in higher paying jobs.

The 'power of the Dutch pill' project is very much ongoing and other long-term effects of the pill will also be carefully investigated in the future. One important avenue will be to consider the criminal behaviour of the next generation. Academics in the US have strongly argued that the legalisation of abortion – via the change in who became parents – can explain up to half of the enormous drop of crime observed in in the 1990's in the US. Did the birth control pill also have such an important impact on crime rates in the Netherlands? <



Stevan Jevremov
Master Quantitative Finance

'Knowing is not enough,
we must apply'

‘What I love to see is students becoming more and more enthusiastic about economics while pursuing this degree’

Meet Josse Delfgaauw

‘My name is Josse Delfgaauw and I am Associate Professor at the Department of Economics at Erasmus School of Economics. Being in academia gives you a lot of freedom in the activities you can pursue. Of course, you do research and teach but through the type of questions that interest you and drive your research agenda, you can develop yourself. At the same time, I find it very inspiring to share the knowledge I gained over the years with a new generation of students.

As Associate Professor I have the wonderful task of teaching Public Economics and Economic Policy to Bachelor as well as Master students. I find it very important to help new generations of students gain a profound knowledge of the role of the government in the economy. The students are very heterogeneous. It’s a very big group, in particular in the beginning of the Bachelor programme. Not all of them are already certain about their choice to study Economics. What I love to see is students becoming more and more enthusiastic about Economics while pursuing this degree. One of the biggest compliments I have ever received from a student was that they had entered my course with zero expectations and had left the course fully inspired.

Besides teaching, I am also doing experimental research. One of the field experiments that we conducted was carried out inside a private firm: in this case, a retail chain. The key question we were interested in was how the effect of team incentives on team performance is influenced by the social cohesion of the people in the team. If you think about this from a theoretical perspective you will learn in the first or second year of the Bachelor programme that a downside of using team incentives is potential free-rider behaviour: the response of people to team incentives is not optimal because they do not take into account that if they work harder their teammates also benefit. On the other hand, if team members care about their coworkers this free-rider effect is smaller. In this field experiment, we tried to find evidence for

the latter hypothesis: if people interact more, are more socially cohesive and hence, care more about each other, is the effect of team incentives on team performance stronger?

To start our research, we measured the social cohesion of all teams in all the stores of a retail chain. We then randomly introduced team incentives to half of the stores in the form of a team bonus if the teams perform well enough. We were very happy with our findings, as they were in line with the economic theory. If teams are not very cohesive, team incentives appear to have no effect on performance. Furthermore, if teams are sufficiently cohesive, we find a positive and significant effect on team performance. Hence, the effect of team incentives on team performance is higher in stores where social cohesion is higher.

One of the things I learned while visiting these organisations, not from a research perspective but from interacting with the people who work there, is that in many organisations there is still enough room for improvement. In the ‘old’ days, many economists believed that firms had to be fully efficient in order to survive in the market. But if you look at what actually happens inside firms, there is still a long way to go. People have wrong ideas, they do not communicate well and they do not share information efficiently. In the field of Organisational Economics, we can study why this happens. From a student perspective this makes me happy because it shows that if students want to make a difference in organisations, there is a lot of potential there.’

'Don't talk, just do it!'

By: Madeleine Kemna

WIRED named his company one of Europe's 100 hottest start-ups, LinkedIn identified it as the second most popular start-up to work for in the Netherlands and Quote magazine placed it sixth on their list of most promising Dutch start-ups. However, felyx's co-founder **Maarten Poot** remains remarkably down to earth. 'As a young entrepreneur you have to remind yourself that you don't realise what you don't know. You have to go out and roll up your sleeves, but you also have to ask others what risks you may not see and what is the best way to deal with them.'

When I left high school, I didn't have a particular area of interest, so I wanted to keep my options open. Erasmus University Rotterdam was the only one to offer the double Bachelor programme Economics and Law, so it was an easy choice. It also helped that Rotterdam is such a great city for students. I managed to finish my first year on time and started a third study, Architecture in Delft. When I took on various responsibilities within the student society, I had to make some choices. In the end Financial Economics suited me best, but it was good to have had a chance to study at other faculties as well. Organising events and being responsible for the procurement of drinks for the student society taught me how to use what I learned in class. In hindsight, it was not only fun, it was also a valuable experience.'

What made you become an entrepreneur?

'In the third year of my Bachelor I participated in the Erasmus Exchange programme. This gave me the chance to spend six months in Stockholm where I met Quinten Selhorst, an International Business Management & Marketing student from Groningen. We became good friends and back in the Netherlands we decided that we would like to set up a company together. We started exploring ideas, but in order to gain some work experience we both went to work for consultancy firms first. This proved to be

very valuable later on, when we were trying to pitch our business plan to potential backers. We had learned how to turn ideas into a financial model that made sense and, perhaps even more importantly, we were able to communicate them in a clear and convincing way. Several angel investors were prepared to fund us and we are now active in Amsterdam, Rotterdam, The Hague, and Brussels with a fleet of about 2000 e-scooters that people can use via our app for 30 cents per minute.

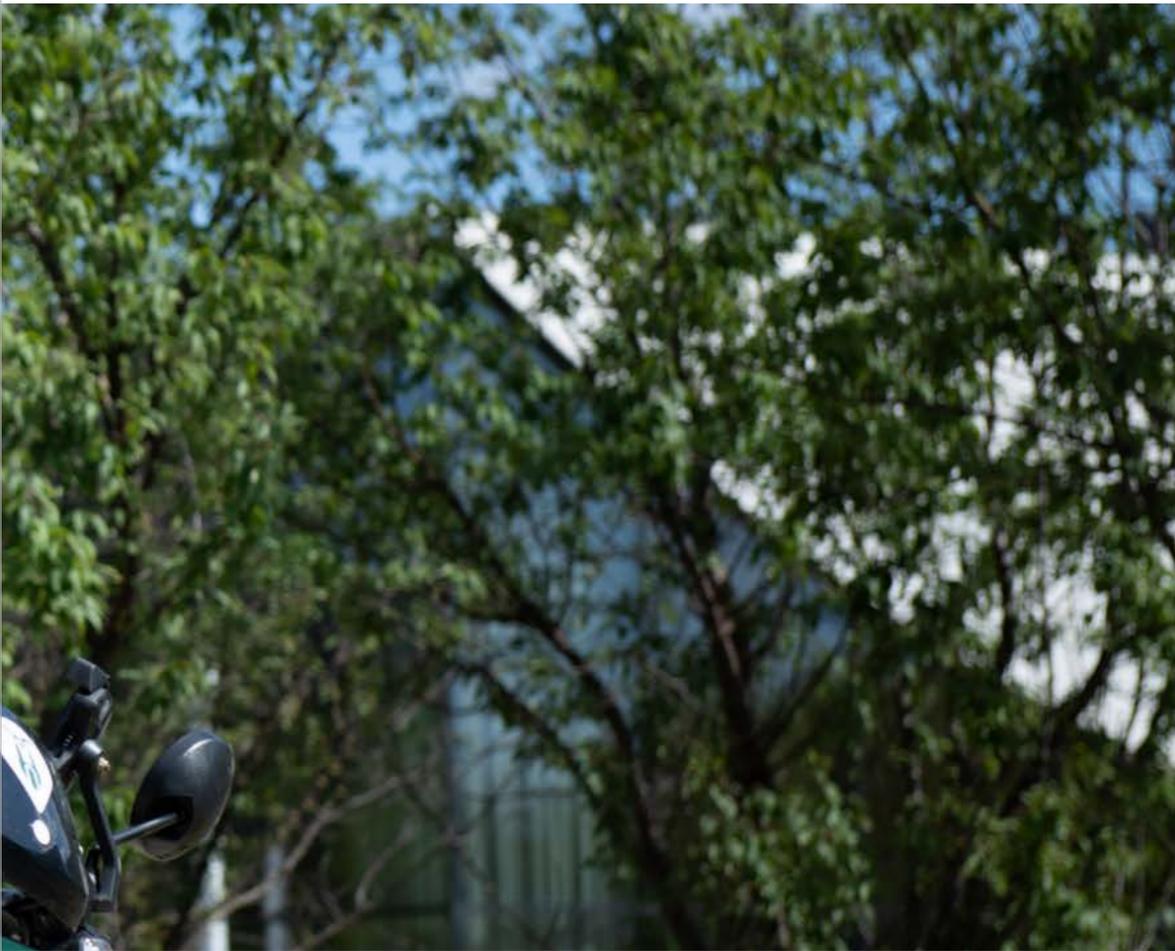
As a result of the corona crisis, there was temporarily less demand for our scooters. This gave us the opportunity to introduce a new part of the business called felyx delivery. We offered small businesses, like restaurants and pharmacies that had to resort to home delivery the opportunity to use our e-scooters while paying a daily rate, which is more competitive than the regular consumer rate. It was a good test of how resilient our company really is and I am proud to say that we succeeded in turning a bad situation into something positive.'

What lessons from your study have contributed to your success?

'There are plenty of examples. When we started the company, we participated in a number of start-up competitions to secure funding. The presentations we had to give brought back memories



'For a young entrepreneur it is important to keep in mind that there are things you just don't know without realising it'



Maarten Poot (1988) is one of the founders of felyx, a scale-up that offers shared electric scooters via an app. Maarten studied Financial Economics and graduated in 2014. After his studies, he worked as a strategy consultant for two years at SparkOptimus. His fast-growing scale-up was founded in 2016 and is currently operating in Rotterdam, Amsterdam, The Hague, Groningen, and Brussels, where they offer around 2000 e-scooters.

'Our philosophy is that if you are passionate about what you do, you will find the right balance that ensures you get the job done'

of defending my papers in seminars at university. My classes in finance helped me when we were discussing the valuation of our company with potential investors and our marketing knowledge came in handy for our first commercial. We bought an old scooter, painted it in our green colour and created a traffic jam to show how you could easily bypass it on a felyx. The fact that we were able to work on our plans with the Erasmus Centre for Entrepreneurship also helped a lot in the beginning.'

What challenges did you encounter?

'Recharging the batteries for our scooters was a practical issue where projected timelines didn't come together initially. When we started, we had to haul the batteries up the stairs to our apartment every night and make sure we didn't trip over them because they took up the entire floor.'

On a more serious note: it is very difficult to have a complete overview of all stakeholders. Our start in Amsterdam is a good example. Prior to launching, we had extensive talks with the municipality. We felt we had covered all the bases, but we had not thought of nuisances from other operators. When residents began to complain about chaos caused by different bike-sharing projects, the city also asked us to halt operations until they had developed a policy on shared mobility. We did

not have a document that proved we had been told we were welcome. It took a lot of convincing to make people realise we were not part of the problem, but we did manage to keep going. When we expanded to Rotterdam, we were able to come to an agreement with the city and put things on paper before we started.'

For a young entrepreneur it is also important to keep in mind that there are things you just don't know without realising it. In order to view and mitigate risks we speak to many outside parties such as investors, fellow alumni in other industries and experienced people in our network.'

How do you manage barriers to entry?

'Others are now benefitting from the fact that we have proven that this is a viable business model. As a result, they are facing less scepticism when trying to obtain financing for their fleet. For us there is definitely a first mover advantage. We now have the largest fleet in the Benelux and the name felyx is synonymous with e-scooter sharing. Recently, two new competitors arrived in Rotterdam, but as an established party we have a license that allows us to have far more scooters on the road than them. If you're looking for an e-scooter, felyx will always be the one closest to you.'

To recruit the best talent, we aim to be an attractive employer that encourages taking initiatives and trust. We now have a team of 70 people that enjoy unlimited holidays for example. Our philosophy is that if you are passionate about what you do, you will find the right balance which ensures you get the job done.'

How sustainable are you?

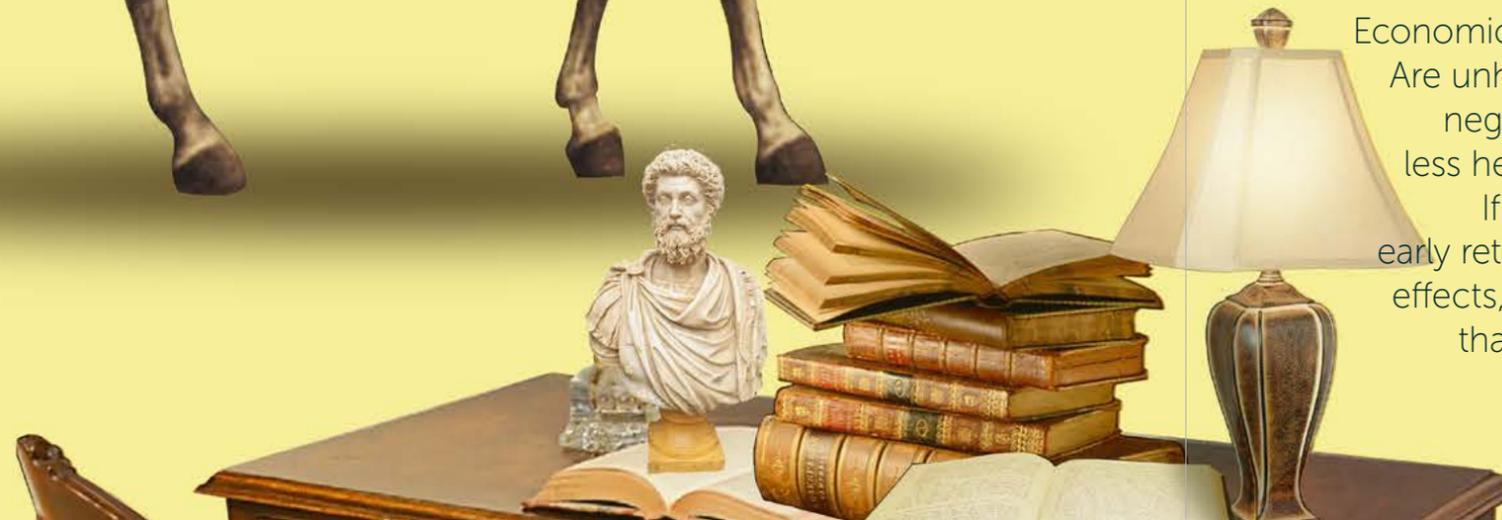
'Our scooters are all powered by electricity (mostly from wind farms). The batteries are changed by staff driving an electric van. So far, our fleet has completed the equivalent of hundreds of laps around the earth and we estimate this has resulted in a saving of 936 tonnes in CO₂ emissions. It would take 46.800 trees a year to neutralise this emission.'

What is your ambition?

'We are constantly developing to stay ahead. This also means expansion in the Netherlands and Belgium to benefit from increased economies of scale, which enables us to spend more on data analysis and improvement of the app. We are experimenting with special deals on scooters in less popular locations, for example. If we have our house in order here, we might even expand to other countries. However, the Rotterdam mentality will remain central to our company: 'Don't talk, just do it!' 🏃‍♂️'

Is retirement good for your health?

By: Jan van Ours



Economics is a discipline that is obsessed with finding out what affects what. Are unhealthy workers more likely to retire early or does retirement have negative health effects? In both situations, retirees are on average less healthy than workers but the policy implications are very different. If unhealthy workers are more likely to retire early, abolishing early retirement hurts unhealthy workers. If retirement has negative health effects, abolishing early retirement is good for workers. Research shows that the mental health effects of retirement are heterogeneous: there is no single policy that fits all.

'The unions negotiated on my behalf but I was never consulted about whether I wanted to retire 8 months earlier'



The Dutch pension system consists of three pillars: state pensions (called AOW), collective pensions, and individual pensions. The state pension provides benefits of up to 70% of the net minimum wage. It is paid from a certain predefined age onward. Even though there is a possibility for early or late retirement using benefits from the collective pension funds or individual pension funds, the state pension has a fixed age for benefit collection which depends on birth cohort only. In theory, individuals are not obliged to retire at the state pension age but many workers do so, whether they like it or not. Many collective labour agreements state that workers lose their job on the day they reach the state pension age.

To improve the sustainability of the state pension system, the government decided to gradually increase the state pension age. For all individuals born before 1948, the state pension age was 65. For those born in 1948, the state pension age was increased with one month. For later birth cohorts there was a further increase. My birth cohort was supposed to receive AOW from age 67 which also implied retirement from the 67th birthday onward. However, in 2019, Dutch unions negotiated a reduction of my mandatory retirement age from 67 years to 66 years and 4 months.

The unions negotiated on my behalf, but I was never consulted about whether I wanted to retire 8 months earlier. I did not want to and now I am worried about my health. Will retiring earlier boost or deteriorate my health? Research findings are not always helpful here. Empirical studies are not conclusive about whether retiring earlier reduces or increases mortality. Some studies find an increase in mortality if retirement is postponed, other studies find a decrease, and other studies find no effect.

To get an idea about possible health effects of retirement, I decided to do some research myself. I used information from the Longitudinal Internet Studies for the Social Sciences panel which is representative for the Dutch population and collected and administered



Jan van Ours is Professor of Applied Economics at Erasmus School of Economics. His main fields of research are labour, health, happiness, and sports economics.

by CentERdata (Tilburg University). I used data collected from 2007 to 2017 with information about retirement status, self-assessed health, and mental health. To establish the causal effect of retirement, I compared the mental health of people slightly younger than the state pension (AOW) retirement age with the mental health of people slightly older than the state pension retirement age. Because of the existing rules, the slightly older people are more likely to be retired than the slightly younger people but otherwise they are very much the same.

My main findings are the following: the retirement of a man has quite a few significant health effects on him and his partner. Self-perceived health improves significantly for both the retiree and his partner. Furthermore, mental health and self-assessed health of him and his partner improve. Contrary to the health effects of a man retiring, the retirement of a woman has hardly any effect on the mental health or self-assessed health of herself or her partner. The findings on single men and women are very different. Their health suffers from retirement. From an additional analysis I conclude that retirement increases loneliness among single women and especially among single men.

Because of the heterogeneity in the retirement effects according to gender and marital status, it is difficult to draw uniform policy conclusions. Allowing for more flexibility in retiring would have welfare improving effects. Quite a few people who can afford doing so retire earlier than the state pension age. However, for others the state pension age is the age at which they are forced to retire whether they like it or not. Removing barriers to continue working after the state pension age are welfare-improving. As to me being a partnered man, my research indicates that the health of both me and my wife will benefit from my retirement. Nevertheless, I worry that I may be an outlier for whom things are very different. ◀

The research I discuss is based on joint work: Matteo Picchio and Jan van Ours, The mental health effects of retirement; Tinbergen Institute Discussion Paper No 19-81.



Ionuț Hodoroagă
Master Financial Economics

'A well-educated mind will always have more questions than answers'



Your gateway to success

Some of the character traits that define Erasmus School of Economics' students are their high level of activity and their work ethic. The character of the students is reflected in the presence of several active study associations. These associations offer students opportunities to acquire leadership skills, widen their network and participate in events such as the ones highlighted on the following page.

Highlights of events

FAECTOR

The National Econometricians Day

The National Econometricians Day is the largest annual recruitment event for students in the fields of Econometrics, Operations Research, and Actuarial Sciences in the Netherlands. During this day, over 800 students get the opportunity to orientate on their future careers and get in contact with their potential future employers.



ECE Students

Student Founders Programme

The Student Founders Programme (SFP) consists of biweekly classes with a small group of highly talented students selected to develop their start-up concept over nine weeks. SFP introduces a balance between three pillars of successful entrepreneurial endeavours: professional advice, local ecosystem, and rigorous discussion. Industry professionals initiate every session accompanied by a start-up who follows with lessons learned in a specific sector. The ECE students team moderates an active discussion between participants to create a dynamic and inclusive atmosphere from which students' ideas grow and develop into fully-fledged start-up concepts.



AEclipse

National Economics Olympiad

The National Economics Olympiad is a problem-solving competition for Economics students, organised by AEclipse and the Royal Dutch Economic Association (KVS) in collaboration with Erasmus School of Economics and the Dutch Journal on Policy Economics (ESB). In this prestigious competition, participants from all over the Netherlands solve challenging academic questions set by professors from different institutions and encompasses different branches of economics. Afterwards, participants can engage with representatives from various fields of economics during a panel discussion.



In Duplo

Lustrum Prom

The Lustrum committee organised a lustrum prom at Castle Oud-Wassenaar to celebrate the 20th birthday of In Duplo together with all members and their prom dates. Since the prom took place outside of Rotterdam, busses took them from Rotterdam Central Station to the castle and back. In Duplo's lustrum prom was a tremendous success with more than 150 people attending.



Transito

Trip to ECT Delta Terminal

Every year, Transito organises a trip to the ECT Delta Terminal of the port of Rotterdam in the Maasvlakte with port economist Dr Bart Kuipers. Students can visit the ECT Terminal and learn everything related to its operational procedures. It is a great opportunity which allows students to observe the vessels up close and experience the loading and unloading process of the containers from the moment the vessels arrive at the port. Finally, the trip includes a tour across the vast Maasvlakte.



EFR

EFR Master Career Week

The first edition of EFR's recruitment event, the EFR Master Career Week, was a great success. By organising five separate off-campus bootcamps focused on specific branches, we introduced Erasmus School of Economics' Master students to the job opportunities they will have after they graduate and connect them to their future employers. In addition to the bootcamps, we organised an International Business Trip to Dublin. During this visit to the European tech hub, students were able to take a look behind the scenes at Google, Accenture, and the Dutch Embassy.



CT

Tax Business Day

This day offers a varied programme with a plenary part in which a hot topic is discussed. Moreover, there are also a lot of opportunities for students to meet their future employer during a lunch, workshops, individual meetings and the networking reception. With approximately 250 students and over 20 companies participating, this day is one of the largest on-campus tax-events and is always a great success!



MAEUR

Advertising Day

The Advertising Day is one of the most historic and renowned events of the Marketing Association and dates back to 1993. The Advertising Day Committee organises an intense one-day programme around a trending advertising theme. They give students a sneak preview in the world of advertising by inviting leading creative agencies. The purpose of this event is for students to get a first impression of one of the most important forms of marketing communication as well as getting in touch with advertising agencies in a creative and interactive way.

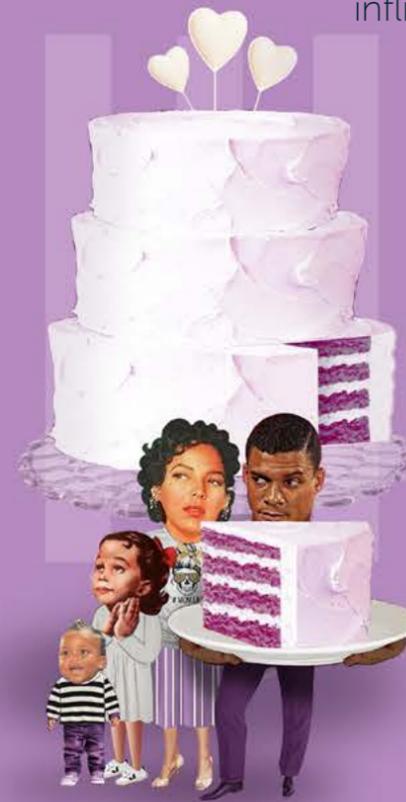
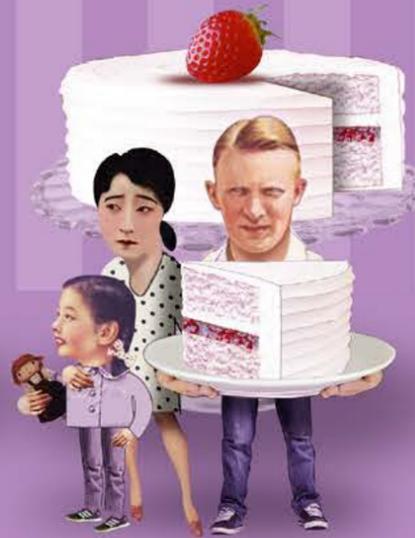
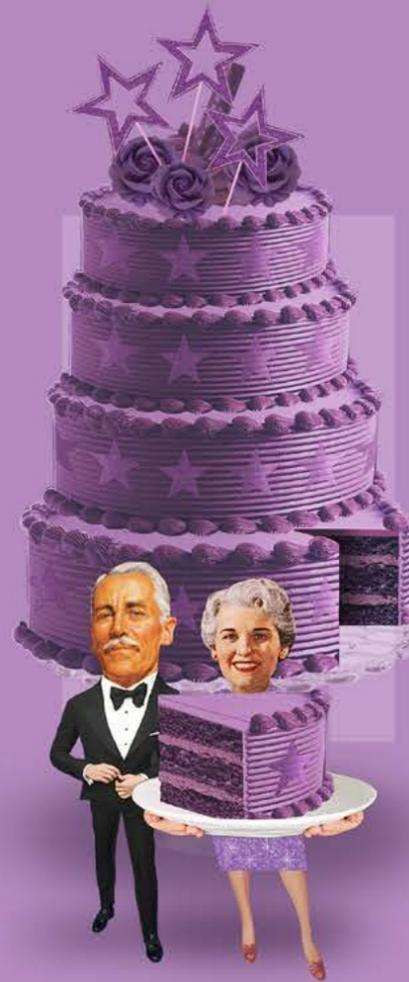


FSR

The International Banking Cycle

Every year, the Financial Study Association Rotterdam organises the International Banking Cycle, which is the largest investment banking recruitment event in the Netherlands. The recruitment event gives students insight into the operational practices and career opportunities at the world's leading investment banks including Barclays, Goldman Sachs, J.P. Morgan, Morgan Stanley, Deutsche Bank, and many more. Each bank organises a workshop with a focus on mergers & acquisitions and some banks offer a case with a focus on sales & trading. The International Banking Cycle is the perfect opportunity for students to get acquainted with the dynamic world of investment banking.





Tax true

instead of fictional incomes from capital

By: Kevin Spiritus

The taxation of incomes from savings in the Netherlands is exceptional in the Organisation for Economic Co-operation and Development (OECD). The Dutch do not declare their investment income to the government, instead, they declare their total wealth. By doing so, the government assumes that all households with the same wealth earn the same rate of return. People pay taxes on a fictional capital income, rather than their true income. Our research shows that this tax system, which is specific to the Netherlands, inflicts considerable economic damage.

'The Dutch tax system does the exact opposite of what it should be doing'



Economists objected when the Dutch government introduced the current tax code in 2001. Not all people earn the same rates of return from their savings, and rates of return fluctuate over time. Even so, little research existed to support the objections against the tax reform.

Recent research shows that the rates of return between households differ a lot. One important reason is that there are large differences in financial literacy. Many do not know how to compare financial services, how much risk to take or how to balance their portfolio. Furthermore, it is difficult to diversify the risk from a family business or a house. This creates large differences in outcomes between households. An example of a cause for these differences is that certain financial services are only accessible to the very rich. Furthermore, some people have access to exclusive information about high-yielding investments. Lastly, some investors have the skills to get a higher yield without taking more risk.

We study the consequences for the optimal taxation of capital. We assume the government aims to collect a given amount of revenue to finance public goods and that society prefers to levy higher taxes from people with a higher ability to pay. Furthermore, we study how to reach these goals at a minimal cost to the economy. We find several reasons why the Dutch practice of taxing fictional capital incomes is a bad idea.

First, individuals' capital incomes reveal information about their ability to make money. By taxing fictional capital incomes, the government ignores this information and is ineffective at redistributing resources from the rich to the poor. By taxing true capital incomes, the government can reduce the tax on labour income, which would reduce economic losses caused by the tax system as a whole.

Second, differences between people are often caused by luck. Some people are simply luckier than others. By redistributing true capital incomes, the government insures households against bad outcomes. A tax on true capital income motivates company owners to invest more. This is especially true if investors are also compensated for the losses they make.



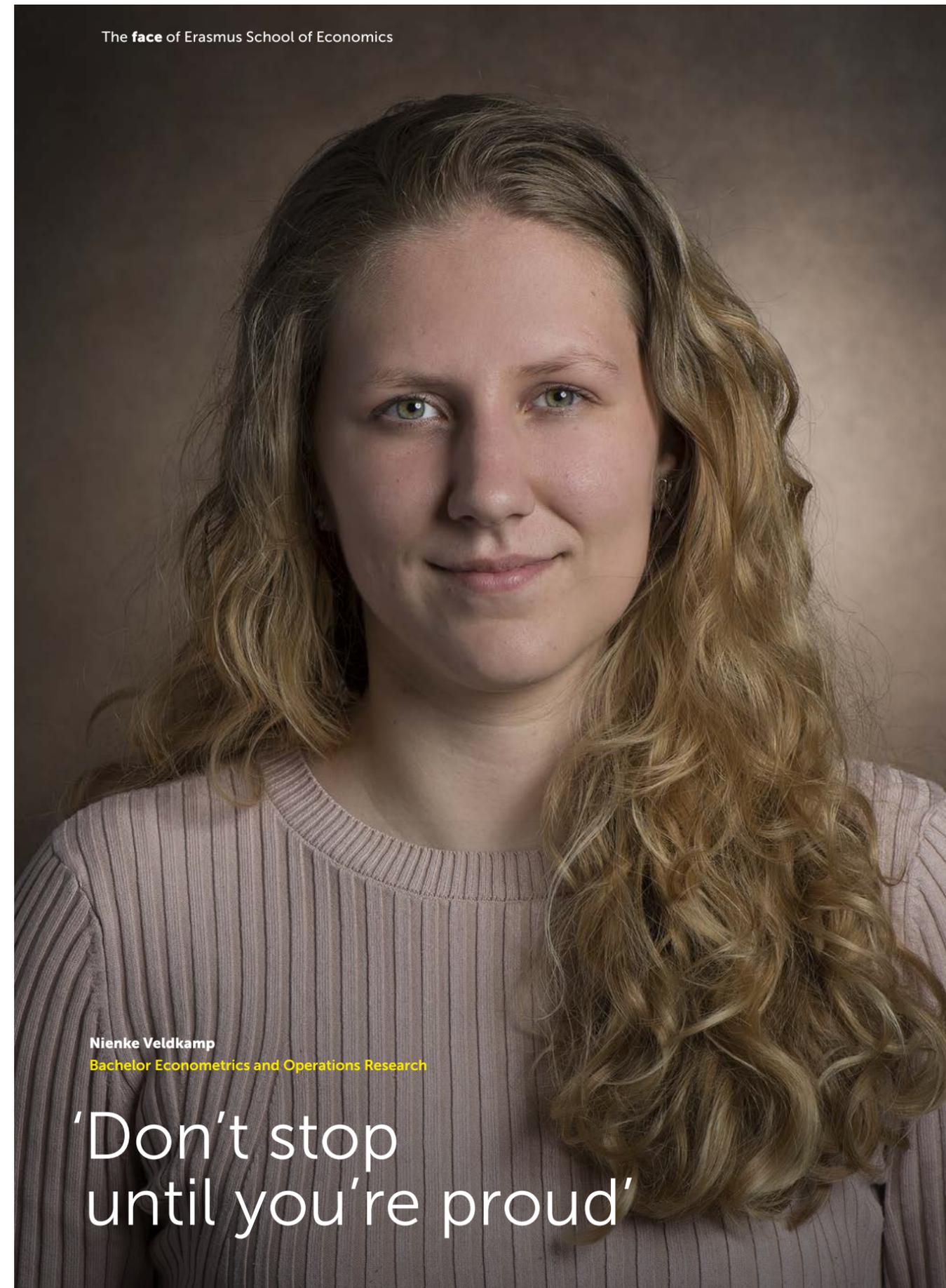
Kevin Spiritus is Assistant Professor at Erasmus School of Economics. He combines a background in Economics, Physics, and Computer Science to study various aspects of an optimal tax system and government policy. This article is based on two studies conducted by Kevin Spiritus together with Bas Jacobs, Aart Gerritsen & Alexandra Rusu and Robin Boadway.

A third reason to tax actual capital incomes, is that the economy fluctuates over time. Dutch households pay the same amount of taxes on their wealth, regardless of the state of the economy. When the economy shrinks, taxes remain high. This further reduces the purchasing power of the households, deepening the recession. With a tax on true capital incomes, tax burdens decrease during difficult times and increase when the economy strengthens. In other words, a tax on true capital incomes stabilises the economy. The European Central Bank is experiencing increasing difficulties in stabilising the economy. A tax on true capital incomes serves as an automatic stabiliser. The government can smooth out fluctuations over time by borrowing in the financial markets.

Finally, returns to capital do not only differ because of differences in luck or effort. Some companies make high profits because they have market power. In recent decades, companies received increasing margins from their sales, benefitting shareholders. Meanwhile, Dutch families pay prices that are too high. A government that cares about fairness should redistribute these income differences.

In conclusion, the government should not ignore differences in the rates of return. Our findings are even stronger: it is better not to tax a common rate of return to capital. Part of the households' capital incomes serves as a reward for their patience since future consumption is cheaper than immediate consumption. Taxing this part of capital income discourages people from saving. Moreover, a tax on this part of capital income is in fact a postponed tax on labour income. People do not care whether they pay their taxes on income from labour or from capital, people care about their purchasing power after taxes. A tax on the reward for patience discourages people from working as much as direct tax on labour income.

It is then better to levy a low tax, or even no tax at all, on the common rate of return that is a reward for patience. It is better to focus on differences in returns between people. Doing so allows for efficient redistribution, insurance and stabilisation of the economy. Now, the Dutch tax system does the exact opposite of what it should be doing. ◀



Nienke Veldkamp
Bachelor Econometrics and Operations Research

'Don't stop until you're proud'

'Seeking help for depression should be normalised'

By: Anna Deems

After finishing her Bachelor's degree in Econometrics and successfully leading a student association, Sophie Schmeets was more than ready to start her Master. But then depression got in the way.

Seeing friends, working out a lot, studying from 8 'till 8 – Sophie was doing it all. But a couple of months into her Master, she just couldn't bring up the energy to take her exams. And after that, she couldn't find the energy or motivation to start writing her thesis. At first, going to a psychologist felt like too big of a deal, but being assaulted right in front of her door was the last straw.

After dealing with panic attacks, depression, and suicidal thoughts, Sophie was able to overcome her problems by going to therapy and opening up to her environment. Nowadays, she works at a start-up and has set up her own company, Maskerclass, which organises events to make depression less taboo as a topic.

In hindsight, what would have helped you to deal with your depression earlier on?

'It would have helped if I had been more open about my depression, but I was too afraid at first. I believe that it would help if people open up more in general. If someone asks you how you're doing, try to think of an honest answer. If you say it aloud when you're not doing well, you create a situation in which it is safe to say that for others as well.'

Why is it so important to talk about not feeling okay?

'That way you allow other people to help you. I was ashamed of being depressed, considering everything I had going for me. But when I started opening up, some friends turned out to have experienced depressive periods themselves. To hear someone else say: 'I can find myself in what you're saying' diminishes feelings of loneliness and shame.'

Furthermore, to make people have a better understanding of the problem and of how to help, it is necessary to exchange experiences. For example, I wasn't able to get out of bed the entire day. A good friend of mine had no trouble getting up, but she found it difficult to find something to do during the day. It shows that the difficulties are different for everyone.'

Are there other ways, besides starting the conversation, for students to cope with issues like stress and depression?

'Be aware of numbing yourself, it makes you miss signals that show that you're not doing well. For example, that beer you have when you're very tired gets you going again, but in fact it just gives you a false sense of energy. Or take something like using your phone in bed, that can keep you awake for a long time. I taught myself some tricks: instead of looking at my phone screen, I read a book. I'm only able to do that when I'm feeling well and have enough energy. I do have moments that I fall back into old patterns, it's still challenging.'

It also helps to have nice offline hobbies and do something creatively. Ask yourself the question: what did I like to do when I had more spare time? I rediscovered my love for photography that way. I know how difficult it is to make time for hobbies during your Master, but it's fun to think and talk about. It's good to remember that a Master is something temporary, after that you can use your time differently or find a way to implement creativity in your job.'

Do you have an idea of the role that stress and depression play in the life of international students?

'Study advisers from Erasmus University have told me that it's quite hard to reach international students who deal with these kinds of problems. Partially because of the cultural differences, not everyone is used to expressing their feelings. We think that we should be more open about what we feel, but from another cultural perspective Dutch people are already considered quite open and direct.'

Some international students have to cope with high expectations from their family back home. And some who receive a scholarship feel the pressure to just be grateful and pass everything at once. It can also be quite lonely for international students, so it's important to get in touch with fellow students.'

My most important advice is the same as for everyone else: be honest about not feeling well. That can work out positively in two ways. First, maybe someone else who's having a hard time finds the courage to share that because of you. Second, you let people know that you could use some help, a sympathetic ear can be enough.'

Do you believe the university should do more to reach out to students who experience these problems?

'When I started my studies, I received a syllabus with the most detailed facts about where to find your grades. But there was no

detailed information about the counselors and student psychologists, and their offices were not included in the campus tour.'

You could simply tell students: there is a pretty intense year ahead of you, this is where you can find the psychologist in case you would like to have a talk sometime. Maybe also throw in a statistic, about how many students visit. That way, the option of seeking help is normalised and acknowledged more explicitly. Fortunately there's the Happy Student Society now, a Students-For-Students platform focused on mental and physical wellbeing.'

'If someone asks you how you're doing, try to think of an honest answer'

Sophie Schmeets completed her Bachelor in Econometrics and enjoyed a full time board year at student association RSV Sanctus Laurentius. During her Master in Econometrics and Management Science she started to suffer from depression. Feelings of shame and lack of knowledge on the subject made it difficult to talk about the subject with family and friends. Being able to discuss the matter openly became her mission. This resulted in Maskerclass. Sophie combines Maskerclass with her job at Stichting de Buitenboordmotor.



'Enjoy every moment'

By: Madeleine Kemna

FAECTOR is the largest association of Econometrics students in the Netherlands. They offer Econometrics students a chance to learn, network and have fun whilst also providing online and offline training courses and make econometric consultancy available to charities. Two members of the 54th board, President **Daniël Allick** and Marketing & Innovation Officer **Hiro French**, tell us about how they have enjoyed every moment of a year that has gone by too quickly.

What made you decide to join the FAECTOR board?

Hiro: 'After finishing my Bachelor in Econometrics, I wanted to take a gap year. A board position seemed like a good way to make it a worthwhile experience.'

Daniël: 'I wanted to develop myself in other areas, on top of my academic education. Being a board member of FAECTOR has definitely given me the chance to do that.'

Can you describe FAECTOR in a nutshell?

'FAECTOR offers students a platform to develop themselves socially by forming close ties with others. Students also obtain skills such as time management, giving feedback, and learning how to present yourself. Eventually, we also help them to get ready and take the step towards their first job. The fact that in-depth econometric topics and company-oriented meetings are combined with social events makes it very diverse.'

What was the highlight of the year for you?

Daniël: 'For me, it was the organisation of the LED (National Econometricians Day). This is an annual event and once every five years it is our turn to organise it. There was a dedicated committee that did all the work, but it was my task to manage this group, which involved setting priorities and making choices where necessary. The fact that half of the 800 participants were students from Rotterdam made me incredibly proud.'

Hiro: 'There was not one specific moment, but the steady flow of events throughout the year was really special in its own right. I supervised three committees, which meant I also had to work on a long-term perspective. That was a very rewarding experience. I also learned a lot about branding. How do we make sure that students immediately recognise that they are attending a FAECTOR event? It was also quite interesting to analyse what kind of students are attending which events.'

Are you in touch with Econometrics associations at other universities?

'Yes, that is actually a really nice part of the job. There is an organisation called LOES, the national governing body for Econometric student associations, which incorporates six associations, including ours. We discuss the organisation of the LED together, but we also try to assist future students in finding the best

place to study by maintaining a helpful website. We all cooperate to provide the optimal outcome for Econometrics students in the Netherlands.'

You also take initiatives that help the community. Can you tell us about this?

'For the third time we are now offering students a chance to apply for a consultancy project that helps a charity or a small organisation that would normally not have access to econometric skills. Students work in groups to address questions that the organisations have. Examples range from predicting donation behaviour of current donors of the Dutch Guide Dog Association to providing insight to the Dutch Heart Foundation about when people stop donating. We have a committee that approaches potential partner organisations, but sometimes they also come to us. The Guide Dog Association was so happy with the

previous work our students had done that they asked us again.'

Do you have any advice for the next board?

'Enjoy every moment. Your term is over before you know it!'

What are your plans for the future?

Daniël: I am going to start my Master's degree in the fall. After that, the most important thing for me is to do something that makes me happy and of which I can be proud.

Hiro: Ideally, I would like to have another gap year before I start my Master. Doing internships at various companies should give me a better idea of the kind of work I would like to do eventually and I hope to be able to travel a bit once this is possible. If this is not possible, I might start my Master this fall. ◀

'The fact that in-depth econometric topics and company-oriented meetings are combined with social events makes it very diverse'



International Research Projects

Each year, many of the study associations affiliated with Erasmus School of Economics organise trips where students carry out research projects that benefit the local society. Here, you can read more about the various projects that these associations have organised in recent years.

FAECTOR
 The FAECTOR Research Project (FRP) is an inspiring project that blends business and pleasure. The project starts with an internship at a company where students conduct research related to the field of econometrics. This way, students learn to apply theoretically gained knowledge. The second part of the project is the study trip abroad along with all the participants of the project.
Past locations: Singapore, Thailand and the United States



In Duplo
 Every year, In Duplo organises a study trip to an exciting destination outside Europe. Students conduct research in collaboration with a company. It starts with desk research on a topic that lies on the intersection between law and economics. During a 10-day study trip, the students explore business life, the culture, nature and nightlife of the destination. After the trip, the students finish their research. The project ends with a presentation of the results at the company.
Past locations: New York, South-Korea and Taiwan



MAEUR
 Each year, MAEUR organises not just one, but five research projects as part of the International Consultancy Project (ICP). A team of student consultants researches a real life problem a company is facing. For example, a tech company from Eindhoven who supports small and medium sized webshops asked to do research on potential partners in Europe. The team travelled to Spain and Poland for four weeks to gather information on the market. Based on the information in the report, the company launched a scale-up plan to go multinational in Europe.
Past locations: Switzerland, Finland and Poland

AEclipse
 The International Research Project of AEclipse gives students the chance to apply the knowledge from their Economics Master courses to a real-life issue in a developing country. A group of twenty students start with desk research. During this desk research, they review previous literature on the issue, analyse data and construct econometric models. During the weeks of field research in the selected developing country, students collect all the necessary information needed to provide a feasible solution to the issue.
Past locations: Zambia, Peru, and Nicaragua

FSR
 The International Research Project of FSR is a broad consultancy project, focusing on all kinds of issues in the financial industry. Twenty ambitious Master students with varying backgrounds start with the acquisition. Afterward, desk research is conducted in the Netherlands. The project ends with a trip to that year's destination to perform extensive research on location. With over twenty years of experience, the International Research Project is a long-running success for FSR.
Past locations: Colombia, Vietnam, and Brazil

EFR
 EFR Involve is a social and research-focused programme, in which twenty students apply their academic knowledge to make a sustainable impact on communities that need it the most. EFR Involve is executed in partnership with an NGO or social enterprise that will offer guidance and assistance in setting up the research. The project consists of four months of desk research, two to three weeks of field research abroad and a final presentation.
Past locations: Indonesia, Malawi, and Peru



Last year, the Involve consultancy project aimed to create a clearer image on the current state of affairs regarding women's economic empowerment in Peru, with a special focus on access to finance. The aim of the field research was to compare how different organisations view women's access to finance and entrepreneurship opportunities. The desk research was done in partnership with CARE Nederland, a humanitarian organisation with the goal to save lives, improve rights and build a better future for people in developing countries.



Will your future job be socially useless?

By: Robert Dur

Does what you do at work make a difference to the world around you? Do other people, or society at large, benefit from the hours and energy you put into your job? These are questions that bother quite some workers in modern societies. For some workers, it has become hard to see meaning in their work. Even worse, some workers feel that what they do at work does more harm than good to society.

'People who consider their job pointless or harmful tend to suffer themselves'



A recent book by anthropologist David Graeber called *Bullshit Jobs*, claims that as many as 40% of workers consider their job as useless. In my study with Max van Lent, Assistant Professor of Economics at Leiden University, we find much smaller, yet still quite substantial, numbers. Using a large representative sample of workers from dozens of countries surveyed in 2015, we find that 8% disagrees or strongly disagrees with the statement 'My job is useful to society'. Another 17% neither agrees nor disagrees, and therefore seems doubtful about the usefulness of their work. All in all, one out of every four workers is not convinced that he or she is making a useful contribution to society on the job.

These perceptions of uselessness are important for at least three reasons. First of all, insofar as perceptions are in line with reality – meaning that workers in fact have a useless or harmful job – we should wonder whether we can organise our economy in a better way, in order to reduce the number of people engaging in wasteful or useless activities. Second, even if the uselessness of work is just something in people's minds and not a true fact, we should worry about the consequences for work motivation. We know from a series of experimental studies that people are less motivated and perform worse if they do a useless job than when they do a useful job. Hence, changing people's minds may be a way to foster productivity.

The last reason is that people who consider their job pointless or harmful tend to suffer themselves. In our data we find that as many as four out of five workers find it important to have a job that is useful to society. For these people, having a useless job is associated with much lower job satisfaction and much less pride in the type of work they do. These workers also try hard to find another job. However, particularly in bad times, people can get stuck in jobs they consider useless for a long period of time.



Robert Dur is Professor of Economics of Incentives and Performance at Erasmus School of Economics and a research fellow of the Tinbergen Institute. His research interests include Personnel Economics, Organisational Economics, and Behavioural Economics.

So, what kind of workers consider their job useless? We find a strong difference between the public sector and the private sector. Very few workers in the public sector find their work useless. This holds in particular for jobs like firefighter, health worker, and teacher. Opinions among government clerks and people in the armed forces are less positive, but still better than in many jobs in business. In business, the share of workers considering their job as useless is particularly high in jobs involving simple and routine tasks as well as jobs in finance, sales, marketing, and public relations.

The kind of workers who consider their job useless may explain the possible reasons why useless jobs may arise and persist, even though research on this question has just only started to develop. The finding that workers doing routine tasks are overrepresented among those who find their work useless points to a theory by Karl Marx, who argued that the division of labour into highly specialised parts can make meaningful work look meaningless. The overrepresentation of jobs in finance, sales, marketing, and public relations is in line with the suggestion made by several economists that in some jobs, workers engage in harmful activities. We find weaker evidence for the idea that bad managers are to blame for creating or retaining pointless jobs. Neither do we find strong indications that strong job protection makes it too costly for employers to lay off workers who have become superfluous.

Our continued search for explanations should also deliver policy recommendations, for governments and business alike. Some people have argued that workers themselves should also play a role in making their work more meaningful. In times of strong economic expansion and high vacancy rates, looking for a new, more meaningful job seems the right way. ◀

Julia van der Helm
Bachelor Econometrics and Operations Research

'Students at Erasmus School of Economics are best described in three words: inspirational, goal-driven, and motivated'

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The MOOC "Advanced Valuation & Strategy - M&A, Private Equity, and Venture Capital" helps you to revolutionise your way of decision making, by extending static techniques from corporate finance with dynamic methods to quantify strategic thinking.

databases, but also by holding surveys or running experiments. A byproduct of having to collect your own data is that this helps to choose amongst the potential methods and techniques that are around.

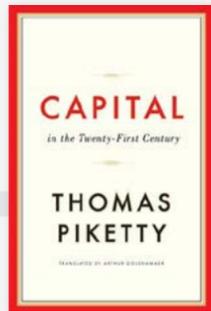
Enjoyable Econometrics

The MOOC "Enjoyable Econometrics" emphasises that econometric models and methods can also be applied to more unconventional settings, which are typically settings where the practitioner has to collect his or her own data first. Such collection can be done by carefully combining existing

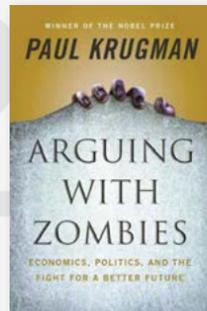
Econometrics: Methods and Applications

Do you wish to know how to analyse and solve business and economic questions with data analysis tools? Then, the MOOC "Econometrics: Methods and Applications" is the right course, as you learn how to translate data into models to make forecasts and to support decision making.

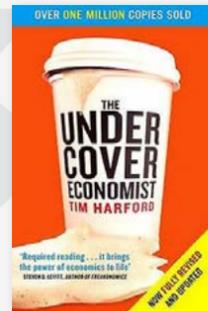
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by Thomas Piketty



Arguing with Zombies
by Paul Krugman



The Undercover Economist
by Tim Harford



Ibrahim Jabri

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- Never let the fear of striking out keep you from playing the game.
- Don't play the game. Own it.
- Unleash your full potential.
- Never take no for an answer.
- Prioritise yourself/your future.



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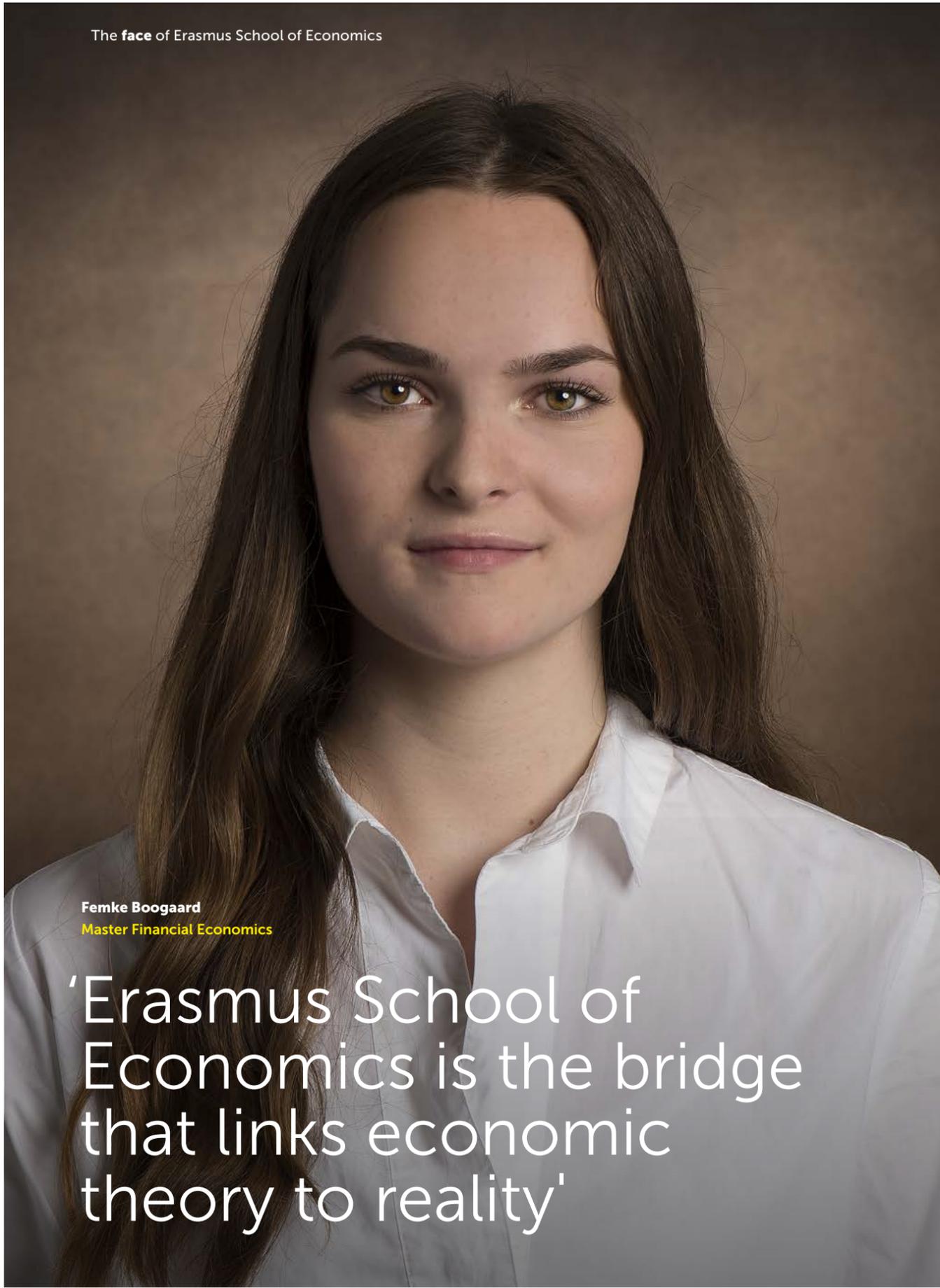
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