

Digital skills and dynamic labor market outcomes: Evidence from the Netherlands

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In an increasingly digitalized world, ICT skills are an important determinant of labor market success. We investigate whether and by how much ICT skills affect labor market outcomes. For this purpose, we employ the Dutch part from the Adult Survey of Skills (PIAAC, administered in 2012) and combine this with register data from Statistics Netherlands (CBS) on labor market outcomes in 2012-2017. We find a strong positive relation between digital skills and hourly wage, controlling for literacy and numeracy skills and other relevant background characteristics. This relation does not diminish over time, suggesting that the skill set in 2012 is still relevant in later years. We find no significant relationship between employment and digital skills. Finally, we compare our results, which are based on reliable administrative records, with the results we would get when we use the self-reported income from PIAAC. The coefficients are similar but the estimates based on administrative records are more efficient.