

summary

Benefiting from educational migrants: a report on the labour market position of foreign graduates

Why this report?

The Minister for Immigration and Integration, on her own behalf and that of the State Secretary for Social Affairs and Employment, asked the Advisory Committee on Aliens Affairs (ACVZ) to produce an advisory report on the labour market position of migrants who have graduated from a Dutch university or institute of higher professional education. The request indicates the government's wish to retain as many as possible of these highly educated migrants on the Dutch labour market, in order to promote the development of the country's knowledge economy.

Already, directly after completing their studies, educational migrants from outside the European Union (EU) and European Economic Area (EEA) have the opportunity to remain in the Netherlands and work as highly skilled migrants. The rules now applicable in such cases can be summarised as follows.

- After graduating or receiving a degree, educational migrants are allowed to remain in the Netherlands to seek work for up to three months. If they do not find work as highly skilled migrants within that time, they must leave the Netherlands.
- They receive a residence permit allowing them to work only if they find salaried employment that meets the salary requirements set by the scheme for highly skilled migrants. This scheme requires that highly skilled migrants from outside the EU/EEA who wish to work in the Netherlands earn a salary of at least € 46,541 (€ 34,130 for migrants aged under 30).

The ACVZ has concluded that this regime is seriously flawed. The requirements are too demanding and quite simply do not give these educational migrants sufficient opportunity to enter the Dutch labour market. The Comparative Study on Policies towards Foreign Graduates, a multi-country study carried out for the ACVZ by the International Centre for Migration Policy Development (ICMPD), shows that the Netherlands has a more restricted regime than any of the countries investigated. This may be one reason why the number of students from outside the EU/EEA at Dutch universities and institutes of higher professional education is relatively low (about 3.5%).

What does the Committee recommend?

- **The maximum period after graduation for educational migrants from outside the EU/EEA to find work commensurate with their qualifications should be increased from three months to a year.**
- **Following the search period, a migrant with a university or higher professional degree should be required to have a salary equalling or exceeding the average initial salary of a university or higher professional graduate in the Netherlands.**

- During the search period, the recently graduated migrant should be required to provide for him or herself, and should not be entitled to welfare benefits.
- If an educational migrant applies for a residence permit – either to look for work in the Netherlands during the one-year search period or to remain in the country and work following that year – the permit should be issued within two weeks as long as the relevant conditions have been met.
- A scheme for admission as a self-employed person should be created for educational migrants from outside the EU/EEA who have completed higher education courses in the Netherlands. This can be achieved through the ‘talent scheme’ announced in the policy document ‘Towards a modern migration policy’, albeit with a few alterations.

Explanation of the recommendations

A maximum search period of one year

On the basis of a study entitled ‘The labour market position of students with a foreign background’ (translation of the Dutch title), carried out for the ACVZ by SEO Economisch Onderzoek, the ACVZ concludes that the present search period for foreign graduates is too short in practice – and would be too short, in fact, for the majority of Dutch graduates. This study also shows that foreign graduates generally face more obstacles to finding work than their Dutch counterparts. To keep the “best and brightest” in the Netherlands, it is imperative to extend the search period. The statistics suggest that a period of one year will give foreign graduates from outside the EU/EEA a realistic chance of finding a job commensurate with their qualifications. Graduates who are not successful within that time are probably not a great asset to the Dutch knowledge economy.

Less demanding and differentiated salary requirements

The ACVZ recommends lowering and differentiating the required salary following the search period. The SEO study and other data clearly show that most Dutch graduates earn an initial salary that is considerably lower than the requirement under the scheme for highly skilled migrants. At present, this same requirement applies to graduates of Dutch higher education courses from outside the EU/EEA who wish to work in the Netherlands. There is no reason to suppose that foreign graduates from Dutch higher education courses can find employment at a significantly higher initial salary than their Dutch counterparts. The only way to bring about the desired influx of highly educated immigrants is through salary requirements that are reasonable in practice.

To be permitted to work in the Netherlands, a foreign graduate of a Dutch university or institute of higher professional education should be required to earn at least the average initial salary for Dutch graduates from the same course. The ACVZ considers this requirement realistic and adequate. It should be kept in mind that foreign graduates from Dutch higher education courses have well-established qualifications. In this respect, they differ from other types of highly skilled migrants, who are not required to have specific educational credentials and must command a high salary to demonstrate that they can contribute to the Dutch knowledge economy. There is thus no need to require that foreign graduates from Dutch courses obtain an initial salary of € 34,130 or € 46,541.

The scheme for highly skilled migrants does not set salary requirements for scientific/academic researchers or physicians in training. The ACVZ believes that, likewise, foreign graduates from Dutch courses who find work in these areas should not be subject to salary requirements.

No welfare benefits, but permission to work during the search period

It will only be feasible to extend the maximum search period to a year if foreign graduates are permitted to provide for themselves during that period. The ACVZ therefore proposes granting job-seeking graduates residence permits for at most one year that confer job-seeker status and the unrestricted right to work. This will allow graduates to provide for themselves while looking for suitable employment. The ACVZ assumes that they will often find 'student jobs' that can be combined with extra post-graduate traineeships or research work. Other than that, they will mainly find jobs in sectors such as catering and hotels, temporary employment and seasonal work.

Even if the new regime works perfectly, the number of people at issue is so small that there is no need to fear a displacement effect on the labour market. What is more, the ACVZ believes (as do almost all experts) that giving foreign graduates better access to the labour market will have beneficial macroeconomic effects – job growth in particular.

In the opinion of the ACVZ, under the new regime, job-seeking foreign graduates should be prohibited from receiving benefits under the Work and Social Assistance Act during their search year. This is not unreasonable. EU citizens who are permitted to look for work in the Netherlands are also required to provide for themselves during their search period.

Differentiation by economic sector is unnecessary, complex and expensive

For the time being, it is not necessary to restrict the proposed regime for foreign graduates to specific economic sectors, or to specify sectors with major shortages where the rules could be relaxed even further. This would require elaborate, costly regulation and complicate the implementation process. The ACVZ believes that the labour market has a self-regulatory character in this respect. If market disturbances arise in specific cases, it should be possible to adopt tailor-made regulations in a timely fashion.

Access to the 'talent scheme' for self-employed educational migrants

Educational migrants who set up a small business after their studies also contribute to economic growth. Educational migrants from outside the EU/EEA who graduate from Dutch courses should therefore have the opportunity to go into business for themselves. Provision for this could be made as part of the 'talent scheme' announced in the policy document 'Towards a modern migration policy' and the point system in use by the Minister of Economic Affairs since 1 May 2006. The ACVZ recommends modifying that point system, however. For graduates of Dutch courses from outside the EU/EEA, the required number of points in the category 'personal experience' should be lowered and points should be awarded for relevant experience during their studies (including traineeships), as well as for knowledge of Dutch.

Shorter decision period for residence permits

The ACVZ notes that it often takes far too long to process applications for residence permits on the grounds of highly skilled migrant status. It is therefore important to impose a maximum period of two weeks for decisions on residence permit applications from graduates, whether they are applying for job-seeking purposes, or as highly skilled migrants on the basis of employment already obtained. This same two-week decision period already applies to applications for residence permits from knowledge workers in other countries. Of course, an application can be granted within that period only if it is complete and all the requirements have been met. All other applications should be rejected within two weeks, though some applicants should have the option of submitting a new, complete application.

It often takes months after the end of the actual studies before a student receives his degree certificate. In view of that fact, people should be considered graduates for the purpose of this regime if they can present a statement from their educational institution showing that they have met all the requirements for obtaining a degree certificate.

Conclusion

The proposed relaxation of the regime will make the Netherlands a more attractive destination for highly skilled migrants and potentially strengthen its international competitiveness. The changes recommended will produce a regime more comparable to the less restrictive regimes in other countries.