



Re-thinking Approaches to Labour Migration

Potentials and Gaps in Four
EU Member States' Migration
Infrastructures

Case Study Netherlands



ABOUT

This case study is part of a series of publications mapping legal pathways for labour migration and mobility to EU countries commissioned by ICMPD's Migration Partnership Facility (MPF) in the context of their efforts supporting the enabling environment for labour migration to the EU.

It summarises existing legal labour migration pathways and their use in the Netherlands. It provides suggestions for adaptations in order to better serve the needs of the Dutch labour market and to explore potentials for migration and mobility pilots in the context of the EU Talent Partnership Framework.

Shorter digests of each case study are available, along with an overarching policy brief which analyses the findings from all case studies.

All publications can be downloaded at www.migrationpartnershipfacility.eu.

AUTHORS

ECDPM: Anna Knoll

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For any queries, please contact: info@ecdpm.org

Coordinated by

Migration Partnership Facility: Diana Stefanescu

The Migration Partnership Facility (MPF) is an EU-funded initiative supporting the external dimension of EU migration policy. The MPF aims to strengthen dialogue and cooperation on migration and mobility between Member States and priority partner countries outside the EU. The project is implemented by the International Centre for Migration Policy Development (ICMPD).

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For any queries, please contact: MPF@icmpd.org

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ACRONYMS

ACVZ	Adviescommissie voor Vreemdelingenzaken (Advisory Committee on Migration Affairs)
ASEANS-5	Association of Southeast Asian Nations
ASML	Advanced Semiconductor Materials Lithography
BIM	Bureau for International Migration Policy
BZ	Ministry of Foreign Affairs
CBS	Central Bureau of Statistics
CDA	Christian Democratic Alliance
CIBG	Centraal Informatiepunt Beroepen Gezondheidszorg (Central Information Point Health Care Professions)
COVID-19	Coronavirus disease 2019
D66	Democrats 66
DGIS	Directorate-General for International Cooperation
DGM	Directorate-General for Migration
DMB	Migration Policy Department
DRM	Migration Chain Department
DSH	Department for Stability and Humanitarian Aid
DSH-MO	Department for Stability and Humanitarian Aid-Migration and Development section
EC	European Commission
ECDPM	European Centre for Development Policy Management
EEA	European Economic Area
EFTA	European Free Trade Association
EMN	European Migration Network
EU	European Union
EZK	Ministry of Economic Affairs
GDP/GNP	Gross domestic product / gross national product
GVVA	Gecombineerde vergunning voor verblijf en arbeid (combined residence and work permit)
HAVO	Hoger algemeen voortgezet onderwijs (higher general continued education)
HBO	Hoger beroepsonderwijs (higher professional education)
IcDW	Information Desk for Credential Evaluation
ICT	Information Communication Technology
IDW	Information centre for credential evaluation

IND	Immigratie en Naturalisatiedienst (Immigration and Naturalisation Service)
IPA	Interdepartementaal Project Arbeidsmigranten (Interdepartmental Project Migrant Workers Team)
ISCED	International Standard Classification of Education
ITKB	Indicator Future Staffing Bottlenecks by Occupation
J&V	Ministerie van Justitie en Veiligheid (Ministry of Justice and Security)
LFS	Labour Force Survey
LTO	Land en Tuinbouw Organisatie Nederland
MBO	Middelbaar beroepsonderwijs (Secondary vocational education)
MINBUZA	Ministerie van Buitenlandse Zaken (Ministry of Foreign Affairs Netherlands)
MINSZW	Ministerie van Sociale Zaken en Werkgelegenheid (Ministry of Social Affairs and Employment Netherlands)
MKB-Nederland	Midden- en Kleinbedrijf-Nederland (Small and Medium-sized Enterprises)
MPI	Migration Policy Institute
NABC	Netherlands-African Business Council
NIDI	Netherlands Interdisciplinary Demographic Institute
NL	Netherlands
PES	Public employment services
PvDA	Partij van de Arbeid (Labour Party)
PvdD	Partij voor de Dieren (Party for the Animals)
PVV	Partij Voor de Vrijheid (Freedom Party)
ROA	Research Centre for Education and the Labour Market
RVO	Netherlands Enterprise Agency
SBB	Samenwerkingsorganisatie Beroepsonderwijs Bedrijfsleven (Foundation for Cooperation on Vocational Education, Training and the Labour Market)
SER	Social and Economic Council
SIA	Staffing Industry Analysts
SMEs	Small and Medium-sized Enterprises
TVET	Technical Vocational Education and Training
TWV	Tewerkstellingsvergunning (work permit)
UCL	University College London
UAE	United Arab Emirates
US	United States
UWV	Uitvoeringsinstituut Werknemersverzekeringen (employee insurance agency Netherlands)
VAVO	Voortgezet algemeen volwassenenonderwijs (secondary general adult education)

VMBO	Vorbereidend middelbaar beroepsonderwijs (preparatory secondary vocational education)
VNO-NCW	Verbond van Nederlandse Ondernemingen-Nederlands Christelijk Werkgeversverbond
VVD	Volkspartij voor Vrijheid en Democratie (People's Party for Freedom and Democracy)
VWO	Vorbereidend wetenschappelijk onderwijs (pre-university education)
VWS	Ministerie van Volksgezondheid, Welzijn en Sport (Ministry of Health, Welfare and Sport)
WAV	Wet Arbeid Vreemdelingen (Foreign Nationals Employment Act)
WO	Wetenschappelijk onderwijs (university education)

1. INTRODUCTION AND POLITICAL CONTEXT

1.1 GOVERNMENT SYSTEM

The Netherlands has been a parliamentary democracy since 1848 as well as a constitutional monarchy since 1815. The Dutch monarch, whose position is laid down in the constitution, serves as a representative head of state and has symbolic rather than real political power.

The Government is usually constituted by a coalition of different parties and headed by the Prime Minister. The ministers and state secretaries, together with the Prime Minister, form the Cabinet, which governs the country, formulates and implements policy and proposes the annual budget - an important part of government policy. Every year negotiations between the Minister of Finance and the other ministers take place on budgetary priorities, which are presented on the third Tuesday of September ('Prinsjesdag').

The Parliament scrutinises the Dutch Government and consists of two chambers, one of which is elected directly by Dutch citizens. It has law-making, controlling and representative duties. The Second Chamber (Tweede Kamer) has the right to amend legislation put forward by the Government as well as a right to initiate bills. It approves or rejects the budget, has the right to question ministers, to call emergency debates and to start inquiries.

Elections take place on the basis of a list system of proportional representation.. Every four years Dutch citizens, over eighteen years of age, directly elect the Lower House of Parliament (Second Chamber/Tweede Kamer), the provincial councils, the municipal councils.¹ The Dutch delegation in the European Parliament is voted for every five years. The upper House of the Parliament (First Chamber or Senate/Eerste Kamer) is elected by the members of the provincial councils usually within three months after the elections for the latter.

Political parties in the Netherlands nominate candidates in the elections for representative bodies and draw up lists of candidates as well as party programmes. The three main parties are the Labour Party (PvdA), the Christian Democrats and the Liberal Party (VVD). They have alternately constituted government coalitions since the end of World War II. The parliamentary scene also includes a number of medium- and smaller-sized parties, among which the Socialist Party, the Green Left, Democrats 66 (D66), the Freedom Party (PVV) and the Party for the Animals (PvdD).

¹ Non-Dutch and non-EU citizens are entitled to vote in elections for municipal councils provided they have legally resided in the Netherlands for at least five years. EU citizens can vote in municipal councils and for the European Parliament right away.

The process of forming a government in the Netherlands can be complicated and take months given that many parties are represented in the parliament. The current government has been formed after a nine month period of coalition negotiations - the countries' longest time for forming a government. It was sworn in on 10 January 2022. It is the fourth government of Mark Rutte. The Government coalition is made up of the VVD, D66, CDA and the Christian Union. It comprises 20 ministers² and 9 state secretaries.

The coalition agreement (Government of the Netherlands 2021) 'Looking out for each other, looking ahead to the future' lays out the priorities of the Government for the years 2022 to 2025 and includes a strong focus on security, climate and housing. Key attention lies on pressing national matters, while maintaining a pro-European stance and more openness to spending to achieve progress in overcoming housing shortages, supporting the energy transition in the Netherlands and addressing climate change.

Migration has received a separate section in the 2021-2025 coalition agreement in the chapter on International Affairs. It emphasises that the NL seeks *"to manage migration as effectively as possible and increase our control over who enters the Netherlands, who may stay and who must return"*. The Government views migration policy as resting on two parallel pillars to be implemented simultaneously: strengthening procedures for legal migration on the one hand and limiting irregular migration and increasing return in cases of unlawful residence on the other. The migration-related elements of the agreement are formulated in vague terms, which reveals the nature of any coalition agreement as a compromise text between parties which have different views on the future of Dutch migration policies. Temporary and circular legal labour mobility, next to visa facilitation, is included as incentive in the context of agreements with third countries on taking back asylum seekers who have exhausted all legal remedies (Government of the Netherlands n.d.-a).

The new Government's coalition agreement also aims to strengthen the business community and business climate in the Netherlands including by ensuring "a well-educated workforce and [through] addressing the shortage of technically and practically trained workers" (Dutch Government 2021: 32). While labour migration is not specifically mentioned in this context, it could be one of the ways to live up to this promise.

1.2 POLITICAL ECONOMY ANALYSIS: MIGRATION

The current emphasis of the Government coalition on more effectively managing migration and increasing control has to be seen against historical migration dynamics and patterns affecting the Netherlands and the political and economic factors shaping discussions about the impact of migration on the welfare of the country. Labour migration policy and implementation is influenced by a

2 Minister for Climate and Energy Policy, Minister for Nature and Nitrogen Policy, Minister for Housing and Spatial Planning, Minister for Poverty Policy, Participation and Pensions, Minister for schools, Minister for Legal Protection, Minister for Long-term Care and Sport, Minister for Foreign Trade and Development Aid, Minister of Social Affairs and Employment, Minister of Economic Affairs and Climate, Minister of Defence, Minister of Infrastructure and Waterways, Minister of Agriculture, Nature and Food Quality, Minister of Health, Welfare and Sport, Minister of Home and Kingdom Affairs, Minister of Foreign Affairs, Minister of Justice and Security, Minister of Education, Culture and Science, Minister of Finance.

number of historic, social, economic, legal, political and institutional contextual factors, as well as by the interests and power of different stakeholders, including government, business associations, employers and migrants.

During the 20th century, labour migration largely followed the patterns of the Dutch economy. After the Second World War, during the time of rebuilding and industrialisation, an acute shortage of workers characterised the Dutch labour market and the private sector, as well as the Government, actively recruited lower skilled workers, first from Southern Europe, who returned after some years, and later during the 1960s, from Morocco and Turkey. Moroccans and Turkish guest workers were heavily affected by the 1970s oil crisis which created challenges for the Dutch economy. Many industry workers lost their jobs. However, with the new law on family reunification introduced in 1974, many family members of former Moroccan and Turkish guest workers joined and moved to the Netherlands.

Next to economically driven migration, cultural ties with former colonies influenced migration flows to the Netherlands. Shortly before the 1950s, the time of Indonesia's struggle for independence, about 300,000 descendants of mixed Dutch and Indonesian parents came to the Netherlands at the time of the former colonial territories of the Netherlands. A similar number of people emigrated to the Netherlands from Suriname. During the 1990s, large migrant groups from the Netherlands Antilles also moved to the Netherlands (UCL n.d.).

For years, labour migration to the Netherlands has been subject to political discussions. The rise of far-right populist movement, culminating in the success of the Partij voor de Vrijheid of Geert Wilders, in Dutch politics is connected to the Dutch migration history, especially the large migration from Muslim countries, as well as incidents such as the 2002 assassination of Pim Fortuyn, an anti-immigration politician and the murder of Theo van Gogh by a Dutch-born Muslim of Moroccan origin. Since then there has been a tension between moderate forces aiming for tolerance and multiculturalism and those that lobby for stricter anti-immigration rules, partially based on fear and stoked by right-wing populists (van Selm 2019).

Today, parts of the economy, such as agriculture and heavy industries, still depend on migrant workers to a large extent and the Netherlands have a vibrant multicultural sporting and business and cultural life. While most parties (with the exception of PVV) recognise the need to admit labour migrants also in the future (van Reisen et al. 2019), the Dutch immigration system is very restrictive, as further explored in Sections 1.3 and 5.

The migration topic also played an important role in the lead up to the 2021 elections. The issue of concern is not only how many people should be allowed to migrate to the Netherlands in the future, but also, the position and situation of labour migrants currently in the Netherlands, which includes their rights, living conditions and access to services.

At the request of the previous government cabinet, a team led by Emile Roemer, investigated the protection of migrant workers and provided advice and proposals to improve their position in the Netherlands (Rijksoverheid 2020a; Rijksoverheid 2020b). These recommendations published in June and October 2020 include - amongst others - better control of the temporary employment sector, increased insights into labour migration, more and better housing for labour migrants, as well as

better enforcement and supervision. During recent years, the Dutch Government's efforts in the field of labour migration have focused on measures to ensure fairer treatment within the internal market, rather than creating additional pathways for labour migrants (Tweede Kamer 2021a). The Government has followed up on the report of Roemer. The improvement of conditions for labour migrants (both from other EU and non-EU countries) is an important area of work also for the Ministry of Social Affairs and Employment of the current Government.

Sections of the population do not view labour migration only in a positive light, especially when it comes to lower-skilled employees (Kremer et al. 2021).³ Support exists for controlled and managed migration that benefits the Dutch knowledge economy (Kremer et al. 2021: 7). Clingendael pointed out in a recent report that there has been an increased interest in managed circular legal migration (as opposed to more permanent migration), which has the potential to better accommodate societal concerns regarding legal migration and pressures on Dutch services, such as housing (Clingendael 2021: 1). More recently, and amplified by revelations of bad working conditions for migrants in the wake of the COVID-19 crisis, the topic of protection receives strong emphasis.

A strong focus of past governments when it comes to migration policy has been on protection, reception, return and improving asylum procedures. Internationally, the emphasis has been to support countries with their asylum and reception systems ('Reception in the Region') and to devise partnerships, including on return and readmission. Linking labour migration policy to labour market needs has not been a strong priority.

Concerning labour migration in particular, the priorities of the current Government as laid out in the coalition agreement are threefold:

- Periodically assess expected labour, knowledge and asylum migration in order to increase control over migration and to better anticipate trends. Possibly introduce policy targets for numbers of migrants;
- support more structured labour migration in important sectors, while combating abuses associated with labour migration (exploitation of employees, prevent unfair competition on the labour market, substandard housing); and
- permit temporary legal, circular labour migration in return for cooperation on return of failed asylum policies as part of strict reciprocal agreements with third countries.

With these points, the current coalition Government has put more emphasis on the issue of labour migration than previous governments.⁴ While the Government is intending to intensify its grip on the question of how many people enter the Netherlands legally, including through labour migration, it remains vague on whether the aim is to increase or reduce immigration. According to interviewees for this study, there is a slow opening to talk more about labour migration and possibly a

3 Citing a 2017 poll, the ACVZ points out that "with regard to highly educated foreign workers, 53% felt that issuing residence permits to employees was a reasonably to very good idea, but there was less support as regards low-skilled employees: only 40% thought issuing residence permits to these individuals was a reasonably to very good idea."

4 Interviews (IND, de Lange, MinSZW, February 2022).

growing political acceptance to discuss it in the context of labour market needs. Yet, whether this means introducing practical measures to establish more labour migration possibilities as a solution to Dutch labour market shortages and to improve the availability of skills and workers still remains to be seen. To date, labour migration from third countries has often not been part of the discussion when it comes to improving the Dutch labour market.⁵ It is thus also not clear whether in a context of a very restrictive policy towards labour migrants, there are opportunities to increase pathways for middle- or lower-skilled migrants.

The point on using legal migration opportunities as incentives for better cooperation on return in negotiations with third countries points to possible openings in adapting the existing migration system to allow for such opportunities. To date, this 'external perspective' has, however, not been a driving factor of Dutch migration policies and the Ministry of Foreign Affairs has been dependent on the rules set by the Ministry of Social Affairs and Employment as well as the Ministry of Justice and Security.⁶ Moreover, the general Government guidelines still need to be filled with concrete ideas and direction for the Directorates in the relevant Ministries and at the time of research, these were still missing.⁷

A number of social and economic partners welcome the stronger emphasis on labour migration in the coalition agreement as noted in Section 3.

Employers are increasingly signalling that they find it difficult to find workers on the labour market (including that of the EU) and raise questions about the restrictiveness of the Dutch system.⁸

The Dutch Statistics Bureau (CBS) and NIDI also propose to address the shortage of workers in the future with a combination of three possible solutions: (i) increasing the participation of women; (2) raising the retirement age; and (3) increasing labour migration (NIDI 2020).

The ACVZ has argued for a compromise position that takes both labour market needs and filling employer demand for migrant workers, as well as societal concerns about the impact of labour migration on housing, education and healthcare into account. This approach - termed a well-being approach to labour migration - would consider both the well-being of Dutch citizens as well as labour migrants and their families (Kremer et al. 2021). To this end, the ACVZ proposes a committee on future labour migration and well-being that would advise on labour migration policy balancing all interests at stake (ACVZ 2021: 7).

5 Interview MinSZW, February 2022.

6 Interview, MinBuza, January 2022.

7 Interview, MinSZW, February 2022.

8 Interview, MinSZW, February 2022.

1.3 MIGRATION POLICIES AND LEGISLATION (AND OTHER RELEVANT, E.G. EMPLOYMENT, TRADE, DEVELOPMENT)

The Dutch labour migration system for third-country nationals from outside the EU/EEA and Switzerland is laid down in the Foreign Nationals Employment Act (WAV) and the Aliens Decree (Overheid.nl 2022). It is geared towards ensuring a supply of labour from third countries for the needs of the Dutch labour market.

Overall, the Netherlands has a restrictive immigration system for **labour migrants** from outside the European Union (EU), especially for workers with low salary levels. It is liberal towards highly paid migrants and while extending few possibilities for lower- and middle-skilled workers.⁹

Next to the EU schemes for labour migration, which have been transposed into Dutch legislation, there are a number of national schemes. All pathways and admission schemes for foreign labour migrants are summarised in Article 3.4 of the Aliens Decree. Beyond specific labour migration pathways, people with an asylum permit and family migrants can have access to the labour market.

Under the current rules, priority is given to job seekers within the Netherlands, the EU or Switzerland (through the so-called 'priority offer'). The general rule is that if an employer wants to employ someone from outside the EU or Switzerland, a work permit or a combined permit for residence and work is required. The UWV grants such permits only if the request passes an extensive and strict labour market test, in which the UWV assesses whether there are sufficient workers within the Netherlands or the EU to fill the position. It is the responsibility of the employer to demonstrate that sufficient efforts have been made to recruit candidates within the Netherlands or the EU first (Dutch Ministry of Justice and Security 2021).

In September 2021, the Senate approved a bill to amend the Foreign Nationals Employment Act, changing the maximum duration of a work permit from the existing one year to a maximum of three years (unless the work contract is for a period less than 3 years) and strengthening the position of foreign employees in relation to their employers (Maes 2022).

Most of the labour migrant pathways have a wage criterion attached. The updated list of monthly salaries that need to be met for specific groups are updated twice per year and published by the IND.¹⁰

A number of exemptions exist to this general rule. Dutch immigration policy is more open to knowledge workers who can contribute to the Dutch knowledge economy. For this group, a number of special schemes exist that facilitate simpler and faster access, these include the highly-skilled migrant scheme (kennismigrant), the European Blue Card scheme, which exists in parallel, a specific visa for start-up workers and for the ICT sector.

For highly-skilled workers under the **kennismigrant** scheme, a labour market test does not apply and no work permit is needed. The Netherlands defines 'high-skill' not in relation to the actual skill

⁹ Interview, MinJustice, February 2022.

¹⁰ The current list valid from January 2022 to June 2022 can be found [here](#).

level but whether someone earns more than €4,840 per month (if younger than 30: € 3,549 per month) (EMN 2016; IND 2022a). A foreign employee who meets this wage-criterion is considered as a highly-skilled worker. Attracting highly-skilled labour migration is not necessarily seen as a way to address specific labour shortages but rather as an instrument to encourage innovation and move towards a 'knowledge economy'. Until now, there is thus also no strong link between identifying and monitoring shortage occupations and adjusting migration policies accordingly.

The Netherlands is especially interested in **(tech)talent for its startup ecosystem**. For this it has introduced a number of measures. The **startup visa scheme** entered into effect on 1 January 2015. With this scheme, third-country nationals can obtain a residence permit in order to set up an innovative business in the Netherlands. The permit is valid for one year and is tied to a number of conditions: Firstly, the third-country-national must be mentored by a reliable coach - a so-called 'facilitator' in the Netherlands. This aims to support turning the start-up into a successful business. This scheme is included in the Aliens Decree in Section 3.30.

There is also a possibility for **start-ups** to hire **essential personnel** adhering to specific conditions. The minimum wage for a residence permit as essential start-up personnel is a gross income per month of €2,543 euro, without holiday allowance. Another possibility to migrate to the Netherlands as an innovative entrepreneur is the **self-employment scheme**. A third country national who wants to set up an innovative enterprise can apply through a 'point system' for a work permit. If enough points are obtained in a number of categories, a work permit will be granted.

For low-skilled migrants only one exemption exists, which has, however, now phased out. Up until January 2022, an exemption has also been granted to **Asian Chefs** working in restaurants in the Netherlands.¹¹ All these schemes will be further discussed in Section 5.

At the level of policy, the previous Government, under the lead of the Ministry of Justice and Security and in cooperation with other key ministries, published a document in March 2018 titled 'comprehensive agenda on migration' (Dutch Ministry of Justice and Security 2018). The promotion of legal migration trajectories is one of the six pillars of this strategy next to: (i) prevention of irregular migration; (ii) the strengthening of reception and protection of refugees and displaced people in the region; (iii) a solidarity-based and robust asylum system; (iv) less illegality and more returns; and (v) stimulating integration and participation. The policy notes both the positive side of labour migration - its capacity to strengthen innovation and competitiveness in the Dutch knowledge economy - as well as challenges, such as displacement in the labour market and exploitation of migrants. It further emphasises that both the opportunities and the challenges have to be weighed against each other. Over the years, the agenda, while still in place, has somewhat lost its influence and the new coalition Government may engage in efforts to review the current framework through a Ministerial Committee on Migration and Society.¹²

The 2018 policy framework envisaged facilitation of legal pathways for highly skilled migrants only - mainly through establishing shorter procedures, more digital services and the granting of three-year work permits. Similar to the current coalition agreement, the policy framework describes the aim to

¹¹ Interview, MInSZW, February 2022.

¹² Interview, MinSZW, February 2022.

offer more migration opportunities through existing legal pathways to countries if they cooperate more strongly on return and re-admission, making legal migration policy an important foreign policy tool. However, since its adoption, no additional migration opportunities for third countries in the context of partnerships have been created. The Ministry of Social Affairs and Employment is clear in its strategy to view labour migration one of the topics to be looked at but only as a last measure to address mismatch in specific labour market sectors. Its strategy to tackle labour market shortages first includes measures such as reducing the demand for labour, and increasing labour supply within the Netherlands, improving match between supply and demand (Tweede Kamer 2022a).

The Netherlands does not have a policy to recruit third country nationals from specific countries. But, next to filling labour market shortages in the Dutch labour market, providing incentives to third countries to better control and manage migration overall (including return and irregular migration) is one of the motivations to further work on legal pathways and to include them in agreements with these countries (Clingendael 2021). Recently, the Dutch Government has invested more in migration diplomacy, in particular, with North African countries, Egypt and Morocco specifically, with a view to agree on comprehensive quid-pro-quo agreements. It is looking into the possibilities of circular migration as an incentive within agreements with third countries (Tweede Kamer 2022a).

With Egypt, the Dutch Government has signed a Letter of Intent in order to improve migration cooperation. In the Letter of Intent, return and readmission plays a key role and the agreement also covers people smuggling, reception of refugees and migrants, root causes of irregular migration, as well as information exchange on existing legal migration options. The latter includes commitments to facilitate information flow about existing policy frameworks and migration pathways with a view to increase knowledge on how it can be better utilised by Egyptian nationals. Similar steps have also been taken with Morocco with whom the Government aims to agree on a bilateral action plan (Tweede Kamer 2021b).¹³ Whether in the future the Netherlands will in addition to information about existing pathways introduce new possibilities for labour migration is not yet clear.

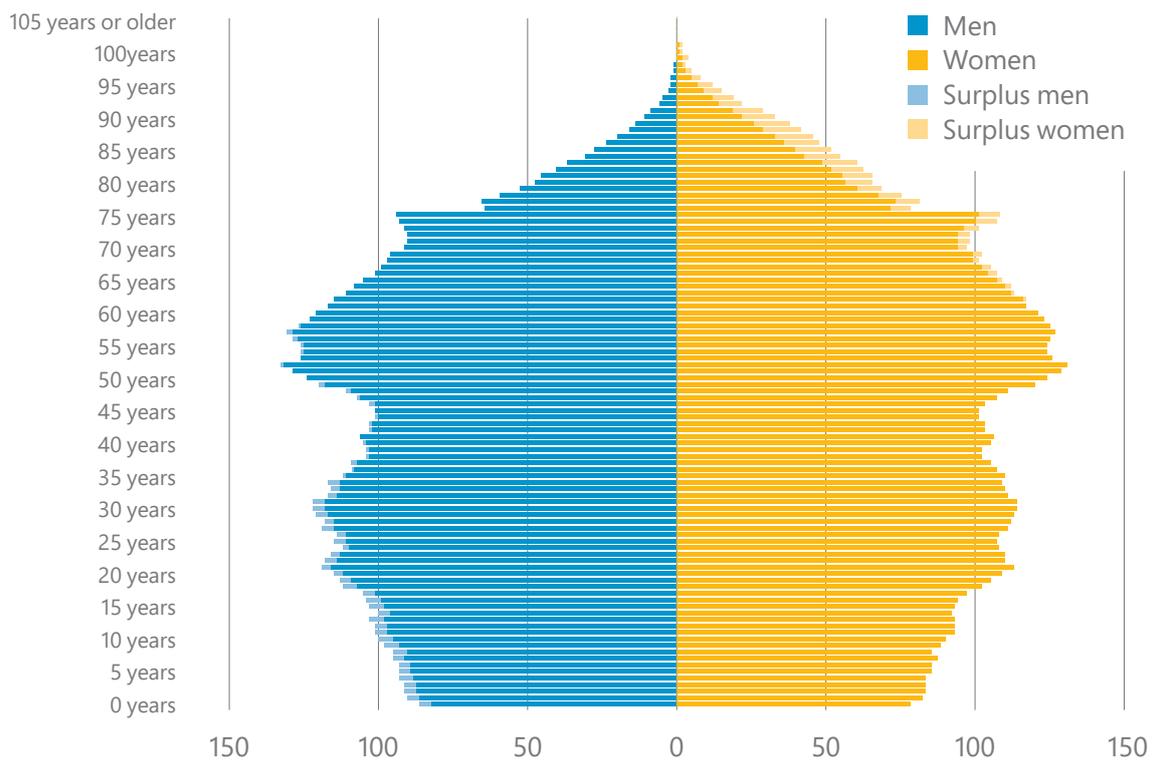
¹³ Interview with a government official, February 2022.

2. KEY LABOUR MIGRATION-RELATED STATISTICS

2.1 DEMOGRAPHIC INFORMATION

As of January 2021, the population of the Netherlands stood at 17,475,415, which comprises 3.9% of the total EU population (Eurostat 2021a; Eurostat 2021b). The gender ratio is almost balanced with 99 men for every 100 women. At younger ages however, a 'male surplus' exists in the Dutch population, which tips at the age of forty. The Netherlands has an ageing society. At the beginning of 2021, the majority of the population was born between 1946 and 1970 with an age between 51 and 75 years old (CBS n.d.-a). The population pyramid below illustrates the Dutch age composition.

Figure 1: Age composition in the Netherlands 2021



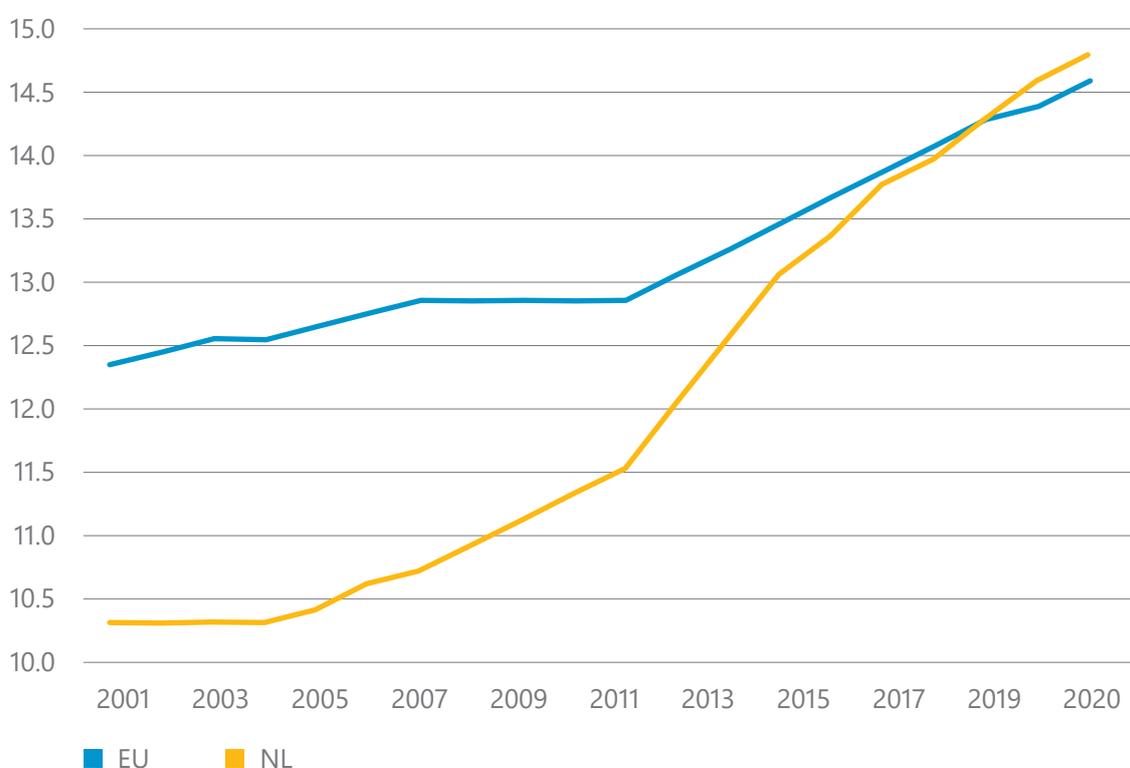
Source: CBS

The percentage of those aged 65 to 79 and those over 89 of the total population has seen strong increases since 2005. Over 14.5% of the population in 2021 are aged in the 65 to 79 year category. The population aged 20 to 64 years has decreased in share falling from 61.3% in 2008 to 58.8% in 2020. The median age of the population has increased from 37.6 years in 2001 to 42.7 years in 2020.

Demographic developments is one of the four main causes for possible labour shortages, next to labour force participation rates, business cycles and economic structural changes. The Dutch population is projected to grow only slightly by 2,100 to a population of 17,967,000. Dutch population growth is projected to stagnate after 2040 at around 18 million inhabitants due to an increasing number of deaths as a result of the ageing population. This projection includes migration to partially offset these developments. However, projections for migration are less certain than those for natural population growth.

The old age dependency ratio, defined as the ratio between the number of people over the age of 64 years to the number of people aged 15 to 64 and expressed as a percentage, is projected to increase during the next few decades from 30.1 % in 2020 to 50.2 in 2070 and to 54.9 in 2100.

Figure 2: Population aged 65 to 79 years in the NL, as % of total population



Source: Eurostat 2022

In 2021, over 4.3 million people had a migration background in the Netherlands (meaning that either they themselves had migrated to the Netherlands or at least one parent was born abroad). This equals a share of 24.4% of the total population. It includes 2.4 million foreign-born persons who were citizens in the Netherlands in 2020 (Eurostat 2021c). Since 2014, the Dutch population has increased primarily due to migration (more immigrants than emigrants) (Eurostat 2021d). For instance, in 2021, the Dutch population grew by 115,979 people, out of which 7,704 was due to natural growth (births minus deaths) and 108,275 due to immigration (CBS n.d.-b).

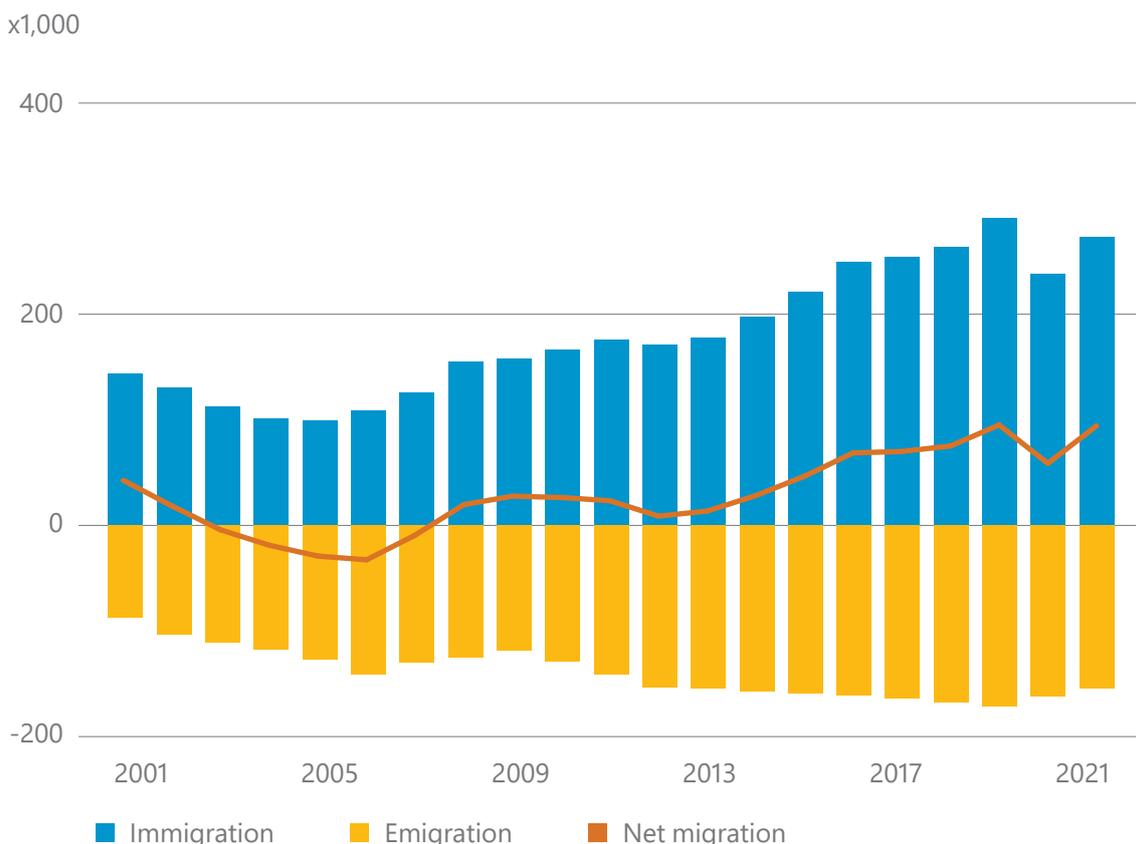
CBS has calculated forecasts based on seven different demographic scenarios for the Dutch population, including those with a migration background in the Netherlands until 2050. In the case of low

immigration, the share of people with a migration background is projected to rise from the current 24% to 30% of the Dutch population in 2050. In case of high immigration, those with a migrant background would constitute 40% of the population.¹⁴

2.2 CURRENT MIGRATION FLOWS

Since 2007 (and also prior to 2003), the Netherlands currently has had a positive net migration. In 2021, 250,792 people immigrated to the Netherlands, about 30,000 more than in the previous year. 142,517 persons emigrated, close to 10,000 less than in 2020. Figure 3 shows an overview of the immigration and emigration developments from 2001 to 2021. The majority of immigrants to the Netherlands have a European migration background (133,210 or 53,1% of total immigration to the Netherlands in 2021). It is mainly Polish migrants that come to the Netherlands followed by immigrants from Asia and America, which make up 20.9% and 10.7%, respectively (CBS n.d.-b).

Figure 3: Overview of the immigration and emigration developments from 2001 to 2021



Source: CBS 2021 n.d.-b; CBS 2022a

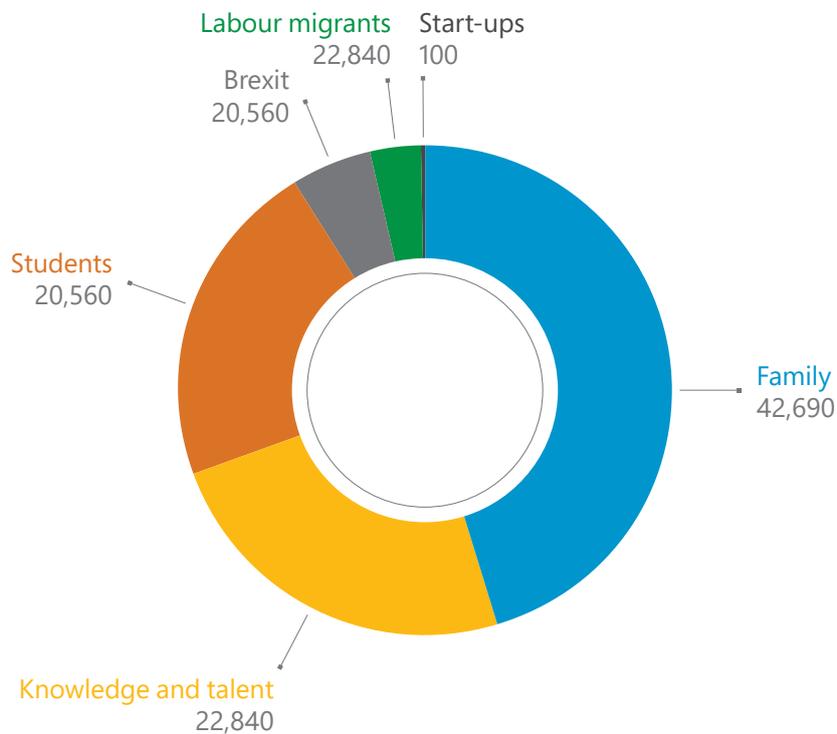
¹⁴ For more details on each of the scenarios see [CBS 2020](#).

Immigration to the Netherlands is characterised by temporal nature, as not all immigrants settle permanently in the Netherlands. Of those immigrants that entered the Netherlands between 2005 and 2015 and were from EU and EFTA¹⁵ countries, 48.6% had left the Netherlands again within three years and after ten years, 71.7% had moved away again (CBS 2021 n.d.-b).

Regular Migration

Labour migration is the most common reason for immigrants from the EU/EFTA countries, with family migration coming second and study migration third. For non-EU/EFTA citizens the reasons differ slightly. Family was the most common reason for migration (30,350 people) in 2019 followed by migration for work (20,445) and study (19,520) (CBS 2021 n.d.-b). In 2020, due to the COVID-19 pandemic, fewer requests for residence and work permits were made from non-EU citizens: 64,500 requests for immigration from outside the EU reached the Netherlands, 51% of which concerned visas for family reunification (32,730), 21% for residence permits for knowledge workers and 4% for other workers. In 2021, with 94,220 applications, numbers rose again to the level of 2019. 22,840 of these applications were for knowledge and talent workers, 42,690 for relatives and family members and 20,560 for study reasons (IND 2022b). Figure 4 shows the share of applicants per reason for those from outside the EU.

Figure 4: Applications for regular residence by type, 2021



Source: IND 2021a

15 EFTA includes Liechtenstein, Norway, Iceland and Switzerland).

In 2021, the top three origin countries for highly-skilled workers (knowledge and talent) are from India, China and Turkey. Regular labour migrants predominantly come from China, the United States (US) and India. For the specific start-up scheme it is Indian, Iranian and Russian nationals that form the top three (IND 2021a).

Asylum

In 2021, the Netherlands received 40,480 asylum applications (IND 2022b)¹⁶ representing a substantial increase compared to 2020 and 2019. Especially the number of family-related asylum applications rose compared to previous years. Top nationalities for first applications include Syrians, Afghans and Iranians, while second and subsequent applications also include Iraqi, next to Afghan and Iranian. For family reunification requests, Syrian, Turkish and Yemeni nationals form the largest groups. For first asylum applications the approval rate lies at 59%, compared to 25% in 2019 as shown in Figure 5. Asylum requests make up about 30% of Dutch applications for residence in the Netherlands in 2021 (IND 2021a). Between January and March 2022, 9,447 asylum applications were submitted (IND 2022c).

Since the war in Ukraine in 2022, Ukrainians received temporary protection in the Netherlands under the EU Temporary Protection Directive, which is valid until 4 March 2023. As of April 2022, over 27,000 people from Ukraine, mainly women and children, have registered with Dutch municipalities since February 2022 (CBS 2022b). Those covered by the protection directive need to register in the Personal Records Database with a temporary address and then apply for asylum-related residency with IND. Refugees from the Ukraine are allowed to enter the labour market without specifically applying for a work permit, yet employers need to register them with the UWV. As of May 2022, over 4,300 refugees have been registered (DutchNews.nl 2022).

Figure 5: Asylum applications and decisions, 2019-2021

First asylum applications	2021	2020	2019
Applications	24,690	13,670	22,530
Decisions	19,910	17,350	18,190
Approved	59%	49%	25%
Second and subsequent applications for asylum	2021	2020	2019
Applications	1,810	1,600	2,720
Decisions	1,340	1,540	3,680
Approved	22%	12%	10%

¹⁶ These include first, subsequent and family reunification applications.

Family reunification	2021	2020	2019
Applications	13,980	9,300	6,130
Decisions	12,780	5,970	5,250
Approved	81%	70%	66%
Family members who joined the asylum seekers and entered the country	10,120	3,860	4,180

Source: IND 2021a

Irregular Migration

It is generally difficult to find any reliable estimates on the number and origin of irregular migrants in the Netherlands.

In 2020, the Government published revised estimates based on research carried out by the Utrecht University Research and Documentation Centre. According to their study the actual number of irregular migrants in the Netherlands is somewhere between 23,000 and 58,000 (Government of the Netherlands 2020).

The foreign nationals entering immigration detention in the Netherlands may provide some insights into the origin country of some of the larger groups of irregular migrants in the Netherlands. This is because detention is carried out for foreign nationals that are refused entry at the border, those who have received a negative decision on an asylum application or if a foreign national is found without lawful residence in the Netherlands (i.e. irregular migrants). The latter reason makes up for the biggest group in detention. In 2021, the top 3 countries of origin of foreign nationals entering immigration detention were Albania (15%), Morocco (10%) and Algeria (20%) - the same three countries as in the previous 2 years (Dutch Ministry of Justice and Security 2022).

2.3 LABOUR STOCK INFORMATION

Labour force participation rate for people between the ages of 15 and 74 has increased substantially over the last fifty years. This may, however, mean that it is unlikely to increase much further.

The labour stock (the population able and willing to engage in gainful employment, between 15 and 75 years) in 2021 was 9,663,000, of which 4,574,000 are women and 5,089,000 are men. This is a strong increase from the year 2000 when it was at 8,038,000. In terms of labour market participation rates, this means a development from around 60% prior to and during the 1990s to over 70% in 2021. To a large extent, these developments are due to a strong increase in the participation rate for older workers since the 1990s, when early retirement became more difficult. The increase in the

participation rate has slowed since 2008 but could further increase as a result of a higher retirement agenda and other labour market measures.

The amount of time worked per person has decreased slightly in the Netherlands, because of an increase in the number of people working part-time. In 2017, women worked on average 26 hours per week and men 36 hours per week. The Ministry of Social Affairs and Employment is aiming to address current labour market shortages with labour market measures such as increasing participation rates and time worked per person (SEO Amsterdam Economics. 2019).

The Netherlands does not have a dedicated mechanism in place for advising the Government on a structural basis about labour migration from outside the EU. While several bodies publish statistics on the labour market and make predictions about shortage sectors and labour market developments (see section 4), there are no mechanisms or reports or advisory bodies that draw conclusions for labour migration policy. The ACVZ recommends opting for “an advisory model that serves the well-being of Dutch society in a broad sense and is future-oriented and sustainable.” (ACVZ 2021: 21).

2.4 EMPLOYMENT AND LABOUR MARKET OUTCOMES

To respond to the COVID-19 crisis, the government introduced recovery measures to retain jobs and support employers and self-employed. Nevertheless, unemployment rose from 314,000 in 2019 to 357,000 in 2020 with an unemployment rate of 3.8% in 2020 and 4.2% in 2021 (CBS 2022c).

Still, unemployment in the Netherlands remains rather low. This is true for all age categories. For young people, who suffered the most from the credit crisis of 2008, the unemployment rate declined from 13.2% in 2013 to 6.7% in 2019. In general, youth unemployment remains structurally higher compared to other age categories, especially for low-educated young people (9% in 2019). Although low-educated older people are more often unemployed, the difference between the unemployment rate between different educational levels is smaller for the older age categories. The share of young people with a flexible employment contract increased remarkably in the last few years and is currently about 70%. This flexibility of the labour market increases the job uncertainty among young people (Bakens et al. 2020:15).

In the first quarter of 2022, the Netherlands reported a working population of 9,768,000 and unemployed population of 356,000. The unemployment rate is at 3,6% and the net labour participation rate at 71.4% (CBS 2022d). The unemployment rate for those with a migration background is 5.8% higher than those with a Dutch national background who have a rate of 2.9% (CBS 2022e). It is especially high for migrants with a non-western migration background (7%). Also the net labour participation rate is lower and in the first quarter of 2022 stood at 67.7%, whereas that of those with Dutch background was at 72.7% (CBS 2022e).

Women have a slightly higher unemployment rate than men. Dropping from 7.3% in 2015 to 4.5% in 2021 and 3.9% in the first quarter of 2022. The 2015 unemployment rate of men alone stood at 6.5% which subsequently dropped to 4.0% in 2021 and 3.4% in the first quarter of 2022 (CBS 2022f).

In terms of employment, there has been a rapid comeback after the economic downturn due to the COVID-19 pandemic. More than half of workers, or 61% in the Netherlands who lost their job between March and October 2020 found new work within six months. In the hospitality industry, 63% of those who lost their jobs found work again within six months and in the culture, sports and recreation the figure was 59%.

2.5 EDUCATION SYSTEMS AND LEVELS

The Dutch education system is characterised by a selection at age 12 and a highly diversified lower secondary education: two out of six streams lead to higher education and four out of six streams lead to upper vocational education (EC n.d.-a).¹⁷

The following educational levels (EC n.d.-a) exist after secondary school:

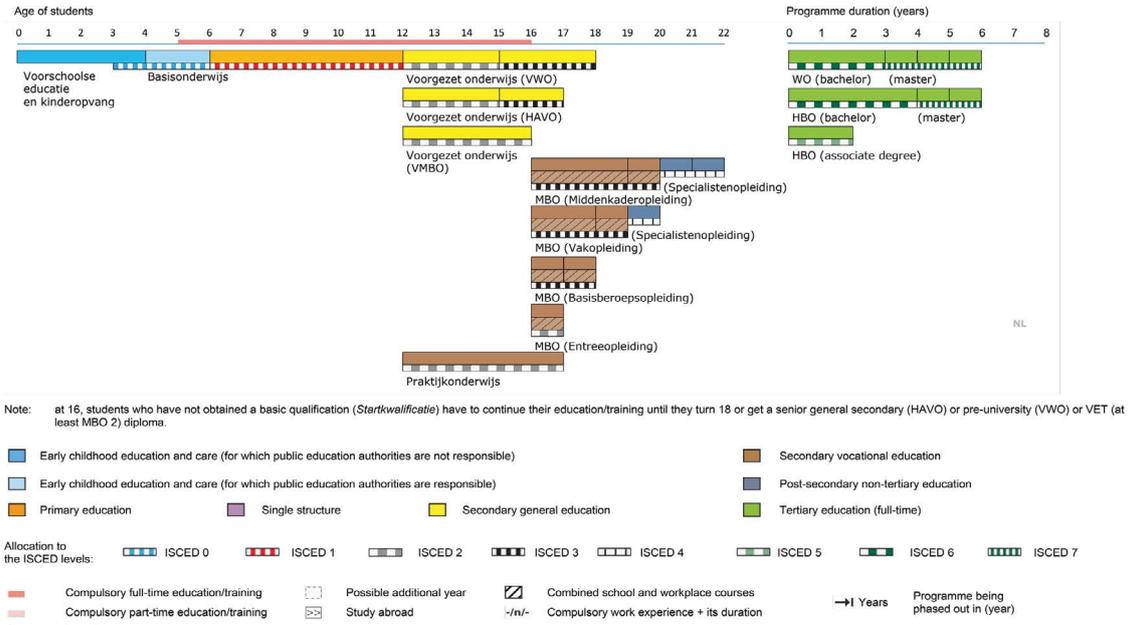
- HAVO and VWO courses prepare students for tertiary education programmes/higher education.
- **Special education and Practical Training (ISCED 2)** which covers schools for special primary education and school for special (secondary) education for pupils who need ortho-pedagogical and ortho-didactical support. Practical training is a special form of education which prepares pupils for a place on the labour market.
- **Vocational education (MBO) (ISCED 2 and 3):** MBO courses can be taken at four different qualification levels:
 - Assistant level (level 1)
 - Basic vocational training (level 2)
 - Professional training (level 3)
 - Middle-management or specialist training (level 4)
- **Adult Education**, which covers a variety of courses and training programmes.
- **Higher education (ISCED 6/7/8)** which includes bachelor, master and associate degree levels. These are international recognised titles that graduates can use if they have completed a study programme at an institution for higher education or university.
 - Students in vocational education (level 4) and people with a number of years of work experience can increase their chances on the labour market with an associate degree.
 - HBO institutions (also known as universities of applied sciences or hogescholen) provide higher professional education. A total of 37 hogescholen currently receive central govern-

¹⁷ The overall responsibility for the education system lies with the Minister of Education, Culture and Science which lays down statutory requirements for early childhood education, primary and secondary education and secondary vocational education, and has overall control of adult general secondary education (VAVO). The Minister of Education sets the framework in which individual schools should perform. There is no national curriculum, but there are attainment targets in general education. While the Government lays down the framework within which higher education institutions (higher professional education and universities) have to operate, it is the responsibility of the competent authority of each institution to expand on the Government framework in the teaching and examination regulations. The provincial authorities' role in education is limited to supervisory and legal tasks. Finally, the administration and management of schools in primary and secondary education and schools for secondary vocational education is locally organised (EC n.d.-a).

ment funding. The Ministry of Economic Affairs is responsible for funding three of these, which provide agricultural and environmental education.

- (Research) universities focus on academic teaching and research. The national government funds 18 research universities.

Figure 6: Structure of the Dutch national education system 2022/2023



Source: EC n.d.-a

In the period from 2019 to 2024, it is expected that about 1.6 million graduates will enter the labour market. Due to demographic developments, the number of graduates is not growing but the composition is changing. For graduates with a vocational education at level 2 or 3 a decrease of the inflow is forecasted, while for vocational education at level 4 and bachelor and master an increase of the inflow is forecasted. The largest inflow of graduates in absolute numbers is expected from ICT media and design and care and welfare at the vocational education level, the bachelor personal services and the bachelor and master in social and behavioural sciences and journalism (Bakens et al. 2020: 15).

There are 51 regulated professions in the Netherlands (impacting public health or public order) which are restricted to those who meet the **professional qualifications** required by law (i.e. the right education and professional experience). For these professions, it is required to have qualifications recognised to practise the profession in the Netherlands. This applies for EU and non-EU diplomas and certificates and migrants who want to settle permanently in the Netherlands. For non-EU countries, migrants must also apply for a certificate of professional competence (Business.gov.nl n.d.). Solely recognising academic or other qualifications via Nuffic (see below) does not automatically entitle foreigners to practice these professions. In addition, foreigners need to apply for professional recognition by a Dutch professional association. The process of recognition depends on the profession and is overseen by relevant associations who act as competent authorities in regulat-

ing entry into the profession and can provide information on the documents needed. For instance, for the profession of architects, the Bureau Architectenregister is the relevant authority, for lawyers, the Netherlands Bar and for crane operators, the TCVT Registration Administration.¹⁸

For non-regulated professions, professional qualifications do not need to be recognised. A foreign diploma or certificate can be evaluated by the Information centre for credential evaluation (IDW), if required by the employer (Business.gov.nl n.d.).

Together with the Information Desk for Credential Evaluation (IcDW) and the Foundation for Cooperation on Vocational Education, Training and Labour Market (Stichting Samenwerking Beroeps-sonderwijs Bedrijfsleven or SBB), Nuffic is responsible for international diploma evaluation in the Netherlands. Nuffic's task is to advise on the level of foreign study programmes in general secondary education and higher education. SBB is responsible for the recognition of foreign vocational skills and training. In 2019, the ministry of Education, Culture and Science decided to assign a statutory task to Nuffic's activities in the field of educational comparison.

SBB (evaluates preparatory vocational secondary education (VMBO) and senior secondary vocational education and training (MBO) (Voyce 2019).

For the health sector the BIG-Registry under the Ministry of Health, Welfare and Sport (VWS), recognises foreign diplomas and professional qualifications. It is run by Centraal Informatiepunt Beroepen Gezondheidszorg (CIBG) and is legally based on the Individual Healthcare Professions Act. Procedures differ for the country from where diplomas or skills have been obtained. For diplomas obtained outside the EU or Switzerland, applicants need to take a general knowledge and skills test and nurses have to take an additional professional test. A commission then assesses and takes a decision and, if positive, a certificate of competence is issued. The testing of Dutch language proficiency is an important part of the general knowledge and skills test.

As an example of a procedure, the following steps outline the procedure for recognising professional qualifications in the health sector via the BIG-Registry. The process can take up to 4 months and requires 7 steps (Dutch Ministry of Health, Welfare and Sport 2022):

1. Preparation of the application through the BIG online system and reading related guidelines or attending general information meetings
2. Completion of application form and inclusion of all documents
3. Submission of application form and documents by post to CIBG. A confirmation of receipt will then be sent within 2 weeks including a notification if documents are missing.
4. Assessment by the Commission for Foreign Healthcare Graduates. If the application is complete and if the Commission considers it necessary, the qualifications will also be submitted to Nuffic or the Foundation for Cooperation on Vocational Education, Training and Labour Market

¹⁸ The regulated professions and the corresponding competent authority can be found in the EU Regulated professions database on the EU Single Market webpage. See [here](#) the entries for the Netherlands.

5. After the decision of the Commission, the applicant is informed of the intended decision with an explanation. The Commission may also advise to complete further internships or submit proof of competence. The applicant has then 2 weeks to respond to the intended decision and object and appeal. If no answer is received the definite decision will be sent.
6. A positive decision is proof of recognition
7. With this proof the applicant can apply for the BIG registration which is needed for certain professions

These procedures for the recognition of foreign qualifications can be expensive and lengthy, especially in healthcare occupations. Degree holders from outside the EEA+ countries (e.g. applying to all foreigners from the EU proposed talent partnership countries) in particular face hurdles as recognition procedures are complex and often difficult to understand by third country nationals. There also seems to be a high dropout rate in the process of skill recognition (Cörvers et al. 2021).

3. INSTITUTIONS AND AGENCIES WITH COMPETENCY ON LEGAL AND LABOUR MIGRATION

A number of actors and institutions are involved in shaping labour migration policies, skills matching and the implementation of the systems for labour migration. The Netherlands currently has no specific mobility scheme with a third country, but as experience from other countries' pilot schemes shows, that relevant actors include ministries and their agencies as key public actors, private actors and social partners at the sector level as well as possibly a broader group of knowledge institutions, and civil society organisations (Clingendael 2021). The following section gives a brief overview over the most relevant institutional government actors involved in the area of migration and education and skill formation as well as the most important non-state actors that would be important for any envisaged talent and migration partnership.

3.1 INSTITUTIONAL (STATE) ACTORS

The main ministries with a stake in legal migration pathways are the Ministry of Justice and Security (J&V), the Ministry of Social Affairs and Employment (SZW), the Ministry of Foreign Affairs (BZ), and the Ministry of Economic Affairs (EZK). When it comes to labour migration, the Dutch approach is strongly driven by the Ministry of Social Affairs and Employment and the needs of the Dutch economy.

The **Ministry of Social Affairs and Employment** has responsibility for the access to the Dutch labour market, including labour migration and knowledge migration. It aims to protect employment conditions and prevent labour exploitation. The relevant Directorate is that for Labour relations, which includes the department on *Terms of Employment Facilities and Labour Migration Implementation* (Dutch Ministry of Justice and Security 2021a: 21). This department develops labour migration policy, both within the EU and with third countries. It also manages the implementation of the Protection of Migrant Workers based on the report of Emile Roemer in 2020. In line with the coalition agreement, the ministry works on options to manage labour migration more effectively, through: a) setting a policy guideline; b) establish temporary legal and circular labour migration as part of agreements with third countries to readmit failed asylum seekers; and c) increase opportunities for asylum seekers to engage in (voluntary) work in the Netherlands. The Ministry is also tasked to explore the role of an advisory committee for labour migration to address labour market shortages following a Parliament motion on this topic (Dutch Ministry of Social Affairs and Employment. 2021: 43). One of its basic premises is to look after Dutch and EU nationals first.¹⁹ It views labour migration as a strategy to address labour market shortages only after considering other measures (Tweede Kamer 2022a).

¹⁹ Interview, government official, February 2022.

The **Employee Insurance Agency (UWV)** is an independent administrative body acting on behalf of the Ministry of Social Affairs and Employment. It provides labour market information and “*periodically publishes sector studies in which the labour market shortages and surpluses are presented per sector, and overviews of so-called shortage and surplus occupations*” (Clingendael 2021: 106). The UWV is responsible for issuing labour permits and for enforcing the labour market test. These work permits are not for employees but for the employer to employ someone from a country outside the EU. The UWV holds power as it interprets the Dutch migration law in a way they see fit in approving work permits and deciding on the labour market test.²⁰

The **Netherlands Labour Authority**²¹ under the Ministry of Social Affairs and Employment works for fair, healthy and safe working conditions, including for migrants. It is responsible for checking that employers abide to the rules governing labour migration.

Within the **Ministry of Justice and Security**, the Directorate-General for Migration (DGM) is responsible for migration policy. It includes several policy departments, including the Migration Policy Department (DMB), the Bureau for International Migration Policy (BIM), the Migration Chain Department (DRM), and the Secretariat for the Advisory Committee on Migration Affairs (ACVZ) (Dutch Ministry of Justice and Security 2021a; Clingendael 2021).

- The **Migration Policy Department (DMB)** is relevant for legal labour migration since it is responsible for policy on regular and controlled admission and the residence and return of migrant workers. They oversee the conditions of entry and the schemes for highly skilled migration and are in the driver’s seat when approving new legal pathways.²²
- The **Bureau for International Migration Policy (BIM)** coordinates international relations on migration with third countries and at the EU-level. It responds to international developments and advises on cooperation with priority migration countries as well as establishes connections between various files relevant to the international level.
- The **Migration Chain Department (DRM)** is responsible for formulating clear and actionable objectives as well as monitoring their implementation and analysing results achieved. Its activities are important for balancing the various perspectives of migrants, employees and the effect on society. The Immigration and Naturalisation Service (IND) is under the DRM and provides information on possibilities to work in the Netherlands and the requirements necessary for receiving work visas. The IND is also responsible for residence permit applications by third-country nationals and it thus has executive tasks in the entry, admission and supervision of and enforcement in relation to third country-nationals (EMN 2019a).
- The **ACVZ** is the knowledge and advisory partner of the ministry and has extensively written on labour migration and has issued recommendations on labour migration to the government. The current coalition agreement explicitly notes that the ACVZ will produce an advisory report on the feasibility of introducing policy targets for numbers of migrants and that its recommendations

20 Interview, university professor, January 2022.

21 Its previous name, before 2022 was the Inspectorate SZW.

22 Interview, university professor, January 2022.

will be given great weight in future policy developments on labour migration (Government of the Netherlands 2021: 43).

The **Ministry of Foreign Affairs** deals with international migration cooperation mainly through the departments of the Directorate-General for International Cooperation (DGIS). The Department for Stability and Humanitarian Aid (DSH) includes the Migration and Development section (DSH-MO), which is responsible, among other things, for international migration cooperation. Since 2018, and until recently, the Ministry included a Migration Policy Office in support of the Special Envoy for Migration, which has now been integrated into DSH. The focus of the Special Envoy is less on labour migration pathways and access to the Netherlands but rather on coordinating all aspects related to external migration policy, including at a higher political level. While this includes legal migration pathways, it has, to date, not received priority in Dutch external relations, though attention on this aspect in external relations is growing.²³ The Ministry of Foreign Affairs increasingly includes discussions on legal migration in its broader cooperation on migration with third countries - also with a view to incentivise cooperation. Yet, actual possibilities to include additional migration and mobility opportunities have been limited under the Dutch migration policy and legal system. The Ministry of Foreign Affairs is following the lead of the Ministry of Social Affairs and Employment and the Ministry of Justice - responsible for access to the Netherlands.

The **Ministry of Economic Affairs** has a role in attracting highly-skilled migrants to serve the business sector in the Netherlands. On its website it includes information on how to come, live and work in the Netherlands as a highly skilled migrant (Clingendael 2021: 106).²⁴ The Ministry of Economic affairs is closest to employers in the Netherlands and aims to push for policies that serve the economic needs of the country. This means they are increasingly keen to support more flexibility and liberalisation of certain labour migration policies.²⁵

The **Netherlands Enterprise Agency (RVO)**, aims to stimulate entrepreneurship in the Dutch economy. As an implementing service of the Ministry of Economic Affairs, it plays a role in the context of start-up work permits for foreign nationals. RVO assesses whether 'facilitators' that vouch for a start-up are meeting conditions. It further checks whether start-ups are innovative and whether the point system for granting visas under this scheme is being satisfied.

Between those ministries with tasks related to labour migration, an interdepartmental consultation on labour migration exists (Clingendael 2021). Every 6 weeks there exists an exchange between ministries to keep each other informed and up to date on migration-related issues.²⁶ This has already been the case under the Comprehensive Policy of 2018, it was all above ministries that aimed to work jointly on a coherent approach to migration. Under the current Government, a Ministerial Committee on Migration and Society will be established to discuss policies and exchange on priorities. There is exchange on a common approach when negotiating with third countries and usually the Ministry of Foreign Affairs and the Ministry of Security and Justice are included in bilateral discussions with third countries coordinated by the Special Envoy.

23 Interview, government official, February 2022.

24 See also <https://business.gov.nl/coming-to-the-netherlands/>.

25 Interview, MinJustice, February 2022.

26 Interview, MinBuza, January 2022.

At times, interdepartmental project teams are set up to deal with specific important aspects of migration policy. Following the advice of the team ‘aanjaagteam bescherming arbeidsmigranten’ led by Emile Roemer, for example, the Government set up an Interdepartmental Project Team for Migrant Work to follow up on the issues highlighted in the report.

The **Ministry of Education, Culture and Science** is overseeing higher and vocational education in the Netherlands. It also mandates tasks relevant for labour migration, such as recognition of skills to specific organisations. The Foundation for Cooperation on Vocational Education, Training and Labour Market is responsible for foreign skill recognition at the vocational skill level. The Dutch organisation for internationalisation of education (Nuffic) carries out appraisals of higher professional education on behalf of the Ministry.

A relevant knowledge institute connected to the Government but operating independently²⁷ is the **Central Bureau of Statistics (CBS)**, which collects and publishes relevant data on migration, the labour market and the working population. The **Netherlands Bureau for Economic Policy Analysis** is an independent research institute conducting research on the Dutch economy and advising the Dutch Government on economic policy. It carries out research on integration of labour migrants into the Dutch labour market.

City-level actors and municipalities, such as the municipality of Amsterdam, play a role as well, since they often aim to attract talent and provide the policy framework for attracting and welcoming start-ups. There are, however, also differences between communities in how they view labour migrants and what they demand from the Government. While larger cities aim to attract highly-skilled talents, other smaller municipalities, at times voice concerns with a rise in labour migrants settling in their community, such as recent contribution from the municipality Hoorst aan de Maas to a debate in Parliament (Tweede Kamer 2022b).

3.2 NON-STATE ACTORS

A number of employers’ associations and trade unions are key stakeholders in the discussions around labour migration and most of them have active international branches.

The Confederation of Netherlands Industry and Employers (VNO-NCW) is the largest employers’ organisation in the Netherlands. It represents more than 185,000 enterprises covering most sectors of the Dutch economy. It includes nearly all of the larger corporate businesses and about 80% of medium-sized companies. It has, to date, not strongly come forward on the topic of labour migration. However, at the time of research they were developing a vision on labour migration with its members and its secretary for the labour market and has come out publicly arguing for increased and targeted labour migration possibilities for shortages sectors from outside Europe (Schoenmaeckers 2022). **The Royal Association of Small and Medium-sized Enterprises (MKB-Nederland)**

27 While financed from the state budget, the CBS is “an autonomous administrative authority (in Dutch: ZBO), [which] performs public service tasks but operates independently and not under the direct authority of a Dutch ministry. The Minister of Economic Affairs is politically responsible for relevant legislation, budget and conditions.

is the largest entrepreneurs' organisation in the Netherlands comprising some 250 regional and local entrepreneurs and 120 branch organisations covering the interests of some 150,000 entrepreneurs. VNO-NCW and MKB-Nederland have recently contributed to a roundtable discussion of the Tweede Kamer in May 2022 asking for a "long-term strategic labour migration policy, based on a good picture of labour shortages in sectors and one that is no longer based on lengthy procedures per vacancy (VNO-NCW and MKB-Nederland 2022). In the short-term, their demand is to render admission requirements simpler for well-trained professionals who do not qualify for the highly-skilled migrant scheme, looking at the German skilled worker scheme as inspiration. Moreover, they demand more efforts from the Government to recognise foreign diplomas and competences acquired abroad.

There are also federations for specific sectors that have in the past contributed to the discussions on legal migration and mobility. These include, for instance, Glastuinbouw NL for the Greenhouse horticulture sector²⁸ and LTO Nederlands representing farmers and gardeners. Both associations have called for more work permits for labour migrants, including from outside the EU, working in seasonal work (harvesting and cultivation) for a maximum of nine months (LTO 2021).²⁹ NL Digital is an association for the IT sector, yet has, to date, not formed a specific position on labour migration policy and focuses on the Dutch labour market and education issues in this sector.

Trade Unions play an important role in the Dutch economy. They are represented in the SER and thus are involved in advising the government on economic legislation. They also bargain with employers' organisations over wages and working conditions. There are three large Trade Unions confederations which all have international branches..

The Christian National Trade Union (CNV) is a collective of various sectoral unions with a membership of approximately 225,000. The Federation of the Dutch Trade Union is the largest trade union confederation and has about 1.1 million members (FNV n.d.). It includes a Migrant's Network (Netwerk Wereldburgeres FNV), which identifies developments that are important for migrants and addresses them, such as good housing for temporary labour migrants, improving labour market positions of young immigrants or working on equal pay. The Federation of Managerial and Professional Staff Unions (VCP) represents the interests of professionals in various sectors and has more than 50 trade union members from various disciplines. VCP has lobbied for strengthening the position in the labour market for people with a migration background, for example, tapping into unused labour potential when countering labour market shortages (VCP 2018). Trade Unions have, however, traditionally not lobbied for increasing labour migration pathways to the Netherlands but rather to improve conditions for all workers, including migrants, within the Netherlands and to integrate those currently unemployed into the labour market.³⁰

The Social and Economic Council (SER) "is an important polder body with its tripartite composition (entrepreneur members, employee members and independent experts), and an obvious partner for the development of a supported new narrative from the Netherlands" (Clingendael 2021:

28 Glastuinbouw Nederland represents about 130.000 workers with 80% being flexible workers and 50.000 being migrant workers, mainly from Poland (40%) and Romania (60%), Interview, January 2022.

29 Interview with employers' federation, February 2022.

30 Interview, ACVZ, January 2022.

107). The SER is a powerful and influential³¹ body advising the Government on labour migration.³² In 2014, the SER published advice on labour migration (SER 2014) but has since then not provided specific advice on the topic. It has published reports on the situation of refugees in the NL and their access to work arguing for better regional help for refugees with a residence permit when looking for work (SER 2018; SER 2019). Interviewees noted that the SER has, to date, taken more conservative positions when it comes to labour migration (especially beyond the knowledge workers) to the Netherlands.³³ This may have been due to the fact that labour unions form part of the SER who fear job loss for Dutch nationals in case of increasing labour migration. The SER themselves do not have any decision-making authority but their advice is taken on board by the Government.³⁴

The Research Centre for Education and the Labour Market (ROA) is a relevant research centre for labour market forecasts and human capital dynamics. It was established in 1986 and is part of the Maastricht University School of Business and Economics. It is providing scientific research with a substantial impact for policymaking advising the Government on adjusting education and labour market policies. ROA publishes labour market forecasts and labour market information in an online statistical database, which are widely used in research and policy.

3.3 INTERACTION BETWEEN ACTORS

There are regular exchanges between the Government and social and economic partners. Social partners are extensively consulted, for instance, in the context of the first annual report on labour migration (Tweede Kamer 2021c).

According to interviewees for this study, ministries are also sensitive to lobbying by private actors. One example seems to have been the exemptions that Asian chefs had during the past few years, which can be explained by a strong lobby and a lack of alternatives.³⁵

To foster cooperation on the topic of labour migration across ministries, the *Interdepartementaal Project Arbeidsmigranten* (IPA) has been formed in November 2020, which brings together several ministries and was set up to monitor the implementation of the advice of the Römer-Team (Tweede Kamer 2021d). The IPA works organisationally under the responsibility of the Minister of Social Affairs and Employment. It works through a steering committee with representatives from the Ministry of Justice and Security, Economic Affairs, Foreign Affairs, Social Affairs and Employment, Ministry of Health, Welfare and Sports and the Ministry of Agriculture, Nature and Food Quality (Tweede Kamer 2021d). They are currently working on issues related to certification of the temporary employment sector, registration and housing as well as care and welfare enforcement.

31 Interview, Ministry official, February 2022.

32 Interview, ACVZ, January 2022.

33 Interview, ACVZ, January 2022.

34 Interview University Professor, January 2022.

35 Interview, University Professor, January 2022.

There are ongoing discussions on the possibilities and advantages of establishing a **permanent advisory Committee on labour migration** in the context of the Netherlands. The Ministry of Social Affairs and Employment has been tasked to investigate and study a number of scenarios for such a committee in terms of composition and tasks following a motion by Parliament. This deliberation is currently ongoing and at the time of research it was too early to tell what the Ministries' recommendations and position would be.³⁶ Interviewees noted that to be useful, such a committee would need to have a 'practical' approach and be a hands-on committee that assesses labour market needs on a regular and short-term basis and recommends specific exemptions for labour market tests, salary thresholds or other measures that can lead to flexible rules to recruit foreign workers. It would need to be different from the SER, which may not be agile enough to analyse needs, quotas and reevaluate existing labour migration pathways on a frequent (for example, quarterly) basis.³⁷

There exists a number of **private-public partnerships** in relation to attracting talent to the Netherlands in specific areas. For instance, for start-ups, StartupAmsterdam, is a public-private initiative by the Municipality of Amsterdam in cooperation with about 150 start-ups. The aim is to make Amsterdam one of the strongest hubs in Europe for start-ups. In this way the city aims to create a broad, cohesive policy focusing on tech start-ups and fast growers (EMN 2019a). Also the Hague is contributing to the attraction of new entrepreneurs. For example, the 'Digital Soft Landing Programme 2022' organised by [Startup The Hague](#) - a cooperation between the Dutch government, the Gemeente Westland, WorldStartup ThinkAI, Innovation Quarter, Impact City The Hague and the Hague Business Agency together with the Government of India aims to attract impact-driven entrepreneurs from India to expand into the Hague to start or grow their business successfully. Another example is the International Talent Programme - a collaboration between Innovation Quarter, the municipalities of the Hague and Rotterdam, The Metropolitan Region The Hague, Regio Drechtsteden, MKB Rotterdam-Rijnmond and VNO-NCW Rotterdam & Regio Rijnmond. The aim of this partnership is to support companies in attracting and retaining international talent (The Hague International Centre 2021).

36 Interview, MinSZW, February 2022.

37 Interview, university professor, January 2022.

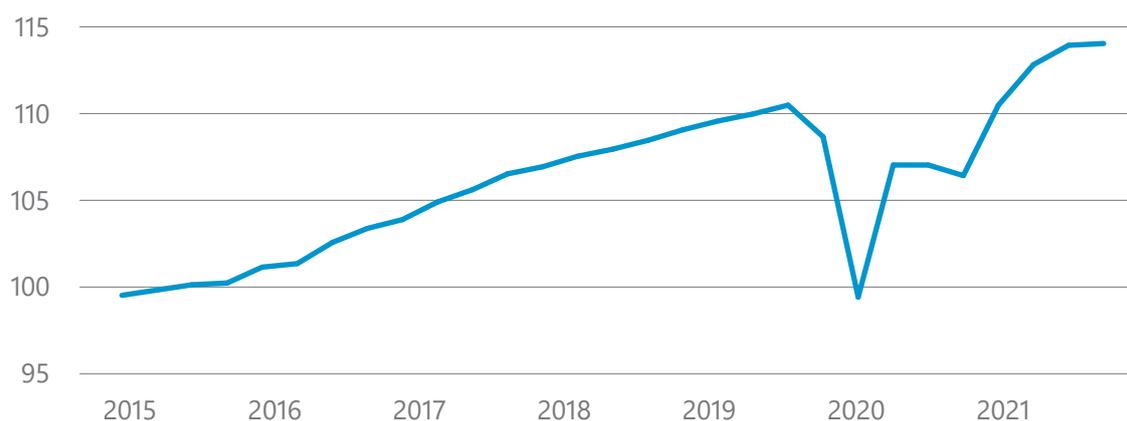
4. KEY SECTORS AND REGIONS IN DEMAND OF LABOUR, KEY ECONOMIC PARTNERS ABROAD

4.1 ECONOMIC SITUATION AND FORECAST

The Netherlands is currently recovering from its largest contraction since the Second World War. The reaction of the Dutch government to the economic crisis triggered by the Covid-19 outbreak included a comprehensive support package. This together with institutional strength and a high level of digitalisation helped to cushion the economic damage compared to other OECD countries (Glocker 2021).

The Dutch economy is slowly and gradually recovering (with a growth of 5% in 2021) and the 2021 Economic Survey foresees an annual growth of 3.7% in 2022, with the GDP recovering to the pre-crisis level. While the path to recovery faces a number of risks and uncertainties, it also presents an opportunity to build back “stronger, fairer and greener”. The Dutch economy has a strong basis but is facing increasing headwinds. A key risk is the deterioration of households’ real disposable income due to price pressures and the uncertainty created by the war in Ukraine (EC 2022). Figure 7 shows the GDP volume of the Dutch economy during the past years.

Figure 7: GDP (volume), seasonally adjusted



Source: Graph reproduced from CBS 2022e

At the beginning of 2022 (first quarter), public consumption fell by 0.4% compared to the previous quarter and investment rose by 0.8%. As noted by the CBS, “the construction sector, the business services sector and the culture, recreation, sports and other services sector made the largest positive contributions to the quarter-on-quarter GDP growth. The sector government, education and care made

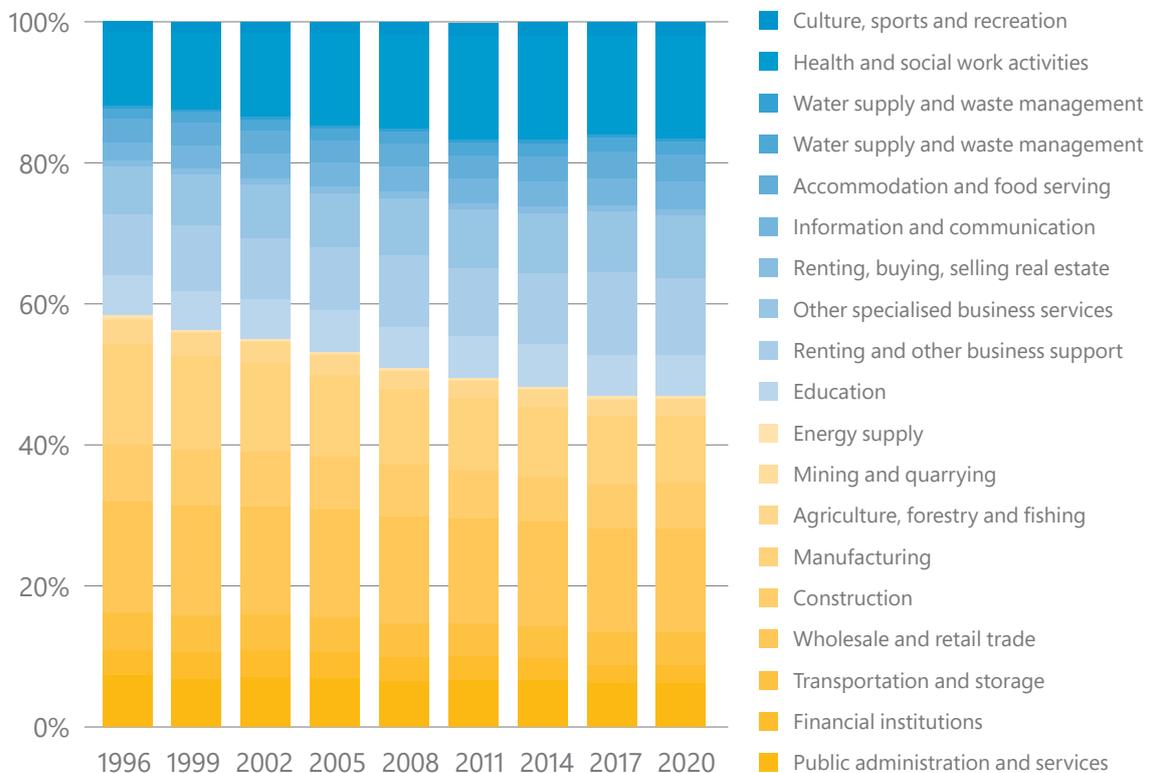
the most negative contribution” (CBS 2022g). The surging inflation due to the Ukraine war led to an inflation of 11.7% in March 2022, with especially gas, oil and wheat experiencing price spikes. The European Economic Forecast of Spring 2022 thus predicts a decrease in GDP growth for 2023 (EC 2022).

During the pandemic, unemployment increased only slightly, aided by quick policy measures and support for companies (OECD 2021). Yet, the labour market situation continued to be tight. According to the UWV, the temporary employment and job placement sector was however hit hard by the pandemic in 2020. Data from the UWV states that the labour market is expected to recover from the COVID-19 crisis throughout 2021 and 2022. The recovery in the number of jobs is set to continue with 2022 forecasted to show an increase in jobs of 1.3%. However, the UWV cautioned that the forecast could be impacted due to the ongoing pandemic (SIA 2021).

4.2 KEY PRODUCTIVE SECTORS AND SECTORS FOR GROWTH

A number of sectors have shown high increases in employment share over time. These are business services, health, ICT, culture and sports and education. Figure 8 shows sectors ranked by the growth in their share in total employment (expressed in labour years) between 1996 and 2020. Those shown in red have decreased their share in total employment, while sectors which have increased their share in total employment are marked as green.

Figure 8: Growing and declining sectors in the Netherlands, 1996-2020



Source: own graph, based on CBS data accessed January 2022

Financial services has long been a growing sector, but suffered from the recent economic crisis. Declining sectors in terms of employment are mainly the industry sector, construction, agriculture and the public sector. SEO Economics predicted that the trends shown in Figure 8 are expected to continue for most sectors: *“This means that structural growth in labour demand is expected for business services, health (due to ageing population and technological change) and ICT (technological change), while structural decline in labour demand is expected for industry (as technological change leads to higher labour productivity), construction (ageing population and slower population growth) and agriculture (due to technological change and restriction of available land)”* (SEO Amsterdam Economics 2019).

ROA projects that total employment will grow at an average annual rate of 0.5% until 2026. The largest annual growers are predicted to be the hospitality industry (+1.2%), rental and other business services (+1.5%) and information and communication (+1.8%). The biggest shrinkage is forecasted for the culture, sports and recreation sector (-1.2%), for public administration and government services (-0.8%) and the chemical industry (-0.7%) (Bakens et al. 2021). Given the dynamic nature of labour markets, projections can also change from one year to the next. The construction sector is a case in point. While the ROA 2019 forecast predicted a growth for the construction sector of +1.9%, the most up to date forecast notes an estimated contraction of 0.4% going forward (Bakens et al. 2021: 21). The care and welfare and education sector are projected to grow but less so than in the previous forecasts. Agriculture was predicted to slightly decline in the previous forecast and now shows a small but positive tendency. The slow employment growth could be caused by the fact that the intensification of labour in this sector continues to be driven by technological advancements (Bakens et al. 2020: 15). Table 1 shows actual (1996-2020) and projected employment growth developments (2021-2026) in the main sectors of the Dutch economy.

Table 1: Development of the number of employed persons by sector 1996-2020, and the expansion demand for business sector 2021-2026

	Employment Development		
	Number of workers (average 2019-2020)	Actual growth 1996-2020 (%)	Prognosis 2021-2026 (%)
Agriculture, forestry and fishing	168.000	-0,7	0,1
Food and tobacco industry	136.500	-1,2	-0,3
Chemical industry	130.500	-1,0	-0,7
Metal industry	304.500	-1,2	0,4
Other industries	259.000	-0,7	-0,7
Energy	76.000	0,8	0,9
Construction	420.500	0,9	-0,4

Retail	878.500	1,1	0,0
Wholesale	418.500	-1,0	0,4
Transport and storage	395.000	1,2	0,6
Catering industry	391.000	2,1	1,2
Information and Communication	318.500	2,1	1,8
Financial services and real estate	323.000	-0,1	-0,2
Specialist business services	682.500	2,1	0,9
Rental and business services	485.500	0,8	1,5
Public administration and government services	535.500	0,5	-0,8
Education	608.500	1,6	0,4
Care	647.000	2,4	1,0
Welfare	780.500	2,0	0,7
Culture, sport and recreation	1935.00	3,0	-1,2
Other services, households and extraterritorial organisations	200.000	0,7	0,2

Source: Translated version of Table 2.1 (Bakens et al. 2021: 20)

4.3 KEY LABOUR SHORTAGE SECTORS

It is generally difficult to determine labour market shortages given that there are no universally accepted definitions for these. "The determination of whether or not a 'shortage' exists and when skills are to be regarded as such is context dependent." (ACVZ 2021: 10).

In the Netherlands and the rest of the EU, there are structural shortages of skilled workers in some economic sectors, such as ICT, health and specific professions. The percentage of employers reporting difficulties in filling jobs in the Netherlands is on the rise. Shortages are greatest among highly skilled professions: engineers, technicians and ICT specialists. However, there are also specific shortages of workers educated at the senior secondary level, such as professionals in sectors such as healthcare, education and construction, which are also set to increase, whereas the options for meeting those needs through labour migration are limited (ACVZ 2021).

Labour shortages stem from different reasons which are each subject to their own dynamics in the labour market. It is thus difficult to make projections for the long run. "Current [structural] shortages arise from a combination of an ageing population, structural economic changes and high economic growth, while mismatches are stable over time" (SEO Amsterdam Economics 2019: p.19-20). The COVID-19 pandemic has turned the labour market upside down and previous forecasts and shortages no longer exist while others were added. In general, shortages are often related to skilled workers (UWV 2021). There are still a number of promising job categories with lower-skill levels where workers are needed - usually characterised by physical work. These include contractors and demolition workers, who have to perform heavy lifting and carrying, bicycle and motorcycle couriers as well as domestic workers in the care sector.

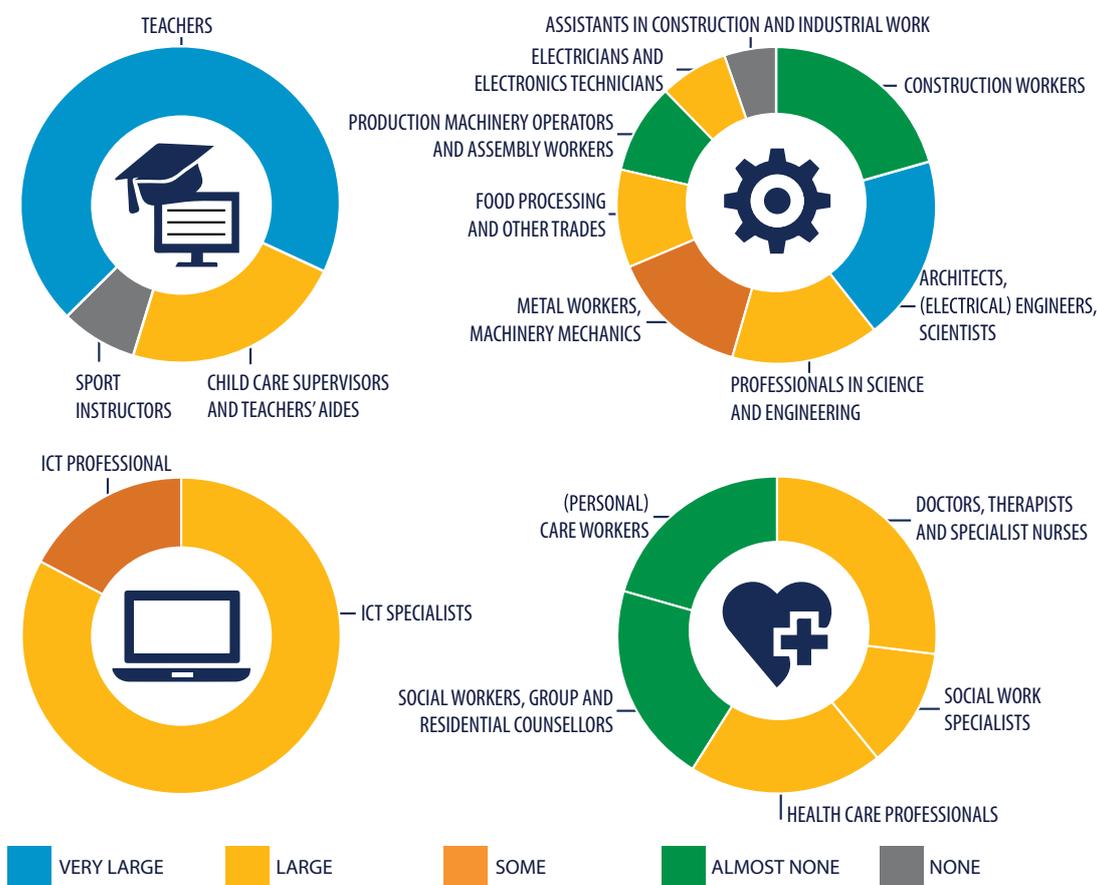
Employers' Federations have stressed that there are currently staff shortages in almost all sectors with the numbers of open vacancies being higher than the number of people being unemployed in the Netherlands. Indeed, the labour market tension indicator published by CBS, which shows the number of vacancies per 100 unemployed people has been on the rise and is now at 133 vacancies per 100 unemployed people (VNO-NCW and MKB-Nederland 2022). The Dutch economy is characterised by a mismatch of labour supply and demand in many areas affecting the labour market (VNO-NCW and MKB-Nederland 2022). VNO-NCW notes that there is a current and anticipated shortage of technicians, professionals and ICT specialists negatively impacting the future growth potential of the Dutch economy (VNO-NCW and MKB-Nederland 2022).

In the Netherlands, the UWV periodically publishes a forecast of labour market demands and shortages at national and regional level and CBS publishes on labour market tension, including in its 'Labour Market Dashboard'. The Research Centre for Education and the Labour Market (ROA) issues publications on labour market developments. The CBS publishes quarterly figures on the Dutch labour market (CBS 2022a). There is, however, no fixed periodicity by which the Netherlands produces a list of shortage occupations and labour migration policy is generally not linked to such labour market assessments.

The Research Centre for Education and the Labour Market (ROA) publishes an indicator bi-annually that gives information on how good labour supply meets demand, the *Indicator Future Staffing Bottlenecks by Occupation* (ITKB). (Bakens et al. ROA, 2020; p.13).³⁸ Its labour market forecast up to 2026 views major bottlenecks for employers in **educational, science and engineering, ICT and healthcare occupations** (ROA 2021). In terms of general profession, **managers** with a high-skilled educational background are expected to be in short supply in various sectors such as ICT, healthcare or education. The forecasts are subject to increased uncertainty because the short- and long-term effects of the COVID-19 pandemic on the demand and supply side of the labour market are dynamic and unclear. Particularly important for labour mobility are sectors where there is an education mismatch. The ROA identifies the **metal industry, energy transition (construction sector and energy sector) as well as healthcare** as particularly interesting sectors in the middle-skill sector in this regard (Cörvers et al. 2021). Figure 9 shows an overview over the sectors with predicted shortages according to ROA data until 2026. In the following a number of key sectors and expected shortages will be discussed.

38 The Indicator Future Staffing Bottlenecks by Occupation gives the probability that the demand for a certain occupational group can be met in terms of educational composition, given the supply and demand ratios for the different education types.

Figure 9: Major Bottlenecks for employers in educational, science and engineering, ICT and healthcare occupations



Source: ROA 2021

Healthcare and welfare professions have had a long history of facing bottlenecks when it comes to personnel. Within the sector there are, however, big differences between specific professions. Gaps are documented in mainly professions which require a high level of education, such as doctors. Other professions in the sector, such as social workers, are not facing challenges according to RoA data (Bakens et al. 2021). The healthcare sector is characterised by structural and long-term shortages. Currently, there are shortages of 56,000 to 74,000 workers in nursing, care and home care, which are forecasted to increase to approximately 103,000-129,000 in 2030. The education level for the occupational groups with the largest shortage is for carers at MBO3 level and for nurses with MBO 4 or HBO education (VWS 2022). The health sector to date has, however, also been a difficult sector for labour migration, mainly due to the difficult recognition of diplomas and the high standards applied by the Netherlands which may be difficult to match by non-EEA foreigners. Experience with hiring nurses from abroad, for example, from Indonesia, has been that their certificate has not been recognised in the Netherlands as being equivalent to that of the Dutch level of nurse qualification. So in effect, they are not able to work as nurses but on a lower level in healthcare until they have re-trained or enhanced skills and have the required qualifications. Another aspect is the importance of Dutch language for this sector.³⁹ Interviewees pointed out that international migration alone, even if an option, would not be able to fill all the needs of the sector in the future and that the government

³⁹ Interview, MinJustice, February 2022.

should rather look into advancing technology as a solution to challenges in the sector.⁴⁰ There is however interest in the ministries interviewed looking into the experience of Germany's partnerships with third countries to train and recruit healthcare professionals such as nurses. In order to address labour market challenges in the healthcare sector, Summa School - a vocational training outfit - has partnered with care employment agency Otto Healthcare to recruit and retrain nurses from the Philippines, Indonesia and India to work in the Netherlands for five years (Mehrez 2022).

For **technical professions**, there are differences in how strong labour shortages will exist depending on the specific profession. Employers that want to employ specialists in nature and technology (for example, engineering and environmental technicians), production managers for industrial construction, or electricians and electrical engineers will face shortages on the labour market. Large bottlenecks are also expected for engineers, physics, technical scientists and research mathematicians. In short supply are also MBO-4, bachelor and master-level educated workers in engineering (Bakens et al., 2020). An example is the **metal industry** suffering from shortages of (**mechanical engineers**). In this occupation, many workers have completed MBO level 4 in mechanical engineering and metalwork. Such engineers able to work in maintenance and installation are also important for the energy transition and thus in high demand (Cörvers et al. 2021). The **technical installation sector** has been struggling with high labour shortages for years and reports structural vacancies of 20,000 which are projected to increase up to 40,000 in 2025. Demand for labour is at the level of MBO education (Level 2) Especially entry-level mechanics are sought after, which are then further trained within the sector. Side-entry workers that have experience in other sectors or have worked in technical fields and installation make up 70% of those functions and only about 30% come directly from school. Based on this experience, the sector itself is thus positive about the prospect of deploying labour migrants in a more targeted way to fill existing shortages. Since training of newcomers (often based on tailormade training needs) is part of the approach of the sector, recruiting labour migrants to train them up to the skill required is an option. However, language is often a big obstacle when recruiting labour migrants. As Techniek Nederland points out, "speaking the language well is necessary to be able to meet the training for professional requirements and to be able to learn on the job" (Terpstra and van Heeswijk 2022).

Whereas previous RoA forecasts predicted shortages for the **construction sector**, in the forecasts up to 2026, almost no bottlenecks are identified, partly due to the cyclical nature of production in the construction sector and the revised negative growth outlook (Bakens et al. ROA, 2020). However, analysis of ABN-AMRO paints a different picture and notes an expected expansion of the construction sector due to the housing shortage and the Dutch government's plans to build new homes while making existing ones more sustainable as part of efforts to address climate change. Their analysis shows that the construction sector faces a very tight labour market with 26.000 open vacancies in the beginning of 2022 (Bisschop and Wolf 2022: 12). Already now, the shortage of the labour force next to sourcing construction material is a barrier for many companies to offer services and many companies cannot keep up with demand. This expected expansion demand requires a new recruitment of personnel (Bisschop and Wolf 2022). This is challenging as the construction sector has many hard to fill vacancies. Graduates from within the Netherlands as well as entries from other professions are unlikely to meet the needs of the sector. The sector is looking for alternatives, amongst which are recruitment of personnel from outside the EU, deploying robots in construction and organising work

40 Interview, ministry official, February 2022.

in less labour-intensive ways. Future developments depend also on the energy prices and the general economic outlook, which has become more volatile given the geopolitical situation.

Within the **agricultural sector**, some bottlenecks are expected for land and foresters and farmers. In the agriculture sector, demand for MBO-3, MBO-4 and Bachelor level educated persons is higher than supply. Clingendael points out that there is economic interest of employers in the agriculture and horticulture sector to develop circular or permanent legal migration trajectories. In this sector, circular migrants would be interested at the technical and vocational education and training (TVET), professional and managerial (academic) level (Clingendael 2021: 4). LTO also advocates for the horticulture sector to recruit migrants in its Manifesto for the elections (LTO 2021). Interviewees of representatives of the agricultural sector note that they are very interested in labour immigration from outside the EU. During past years, migrant workers have mainly been from within the EU (Poland and Romania), yet, due to favourable developments in their own labour markets and economies, they are now coming to the Netherlands less and those that do come seem to have lower education levels. The Glastuinbouw sector has thus been also looking at Ukraine and Tunisia and has also partly outsourced their production to third countries because of availability of staff, as well as climatic conditions.⁴¹ The Dutch horticulture sector sees investment in African countries as a strategy to deal with challenges regarding energy shortages, sustainability, labour market shortages and production costs (Clingendael 2021).

Most **ICT professions** have some bottlenecks for labour. These are mainly higher skilled professions such as software and application developers and database or network specialists. User support and radio and television technicians face less challenges. Needed ICT workers have at minimum bachelor and master-level education (Bakens et al. 2020). The **ICT sector** already strongly relies on labour migrants and the Dutch migration system allows for high-skilled migrants to come and work in this sector in the Netherlands. The Dutch ICT sector already invests in African branches that provide remote/nearshoring services for the Dutch and European market. “For the ICT-sector there is a common interest in circular migration at professional/managerial and academic level. Managers from third countries working in these Dutch firms in countries of origin could benefit from temporary intra-company circular migration for work or short studies in the Netherlands” (Clingendael 2021: 5).

Another important measure is that of **job vacancy statistics**, which provide useful information about the level and structure of labour demand.⁴² Vacancy rates may, in part, reflect the unmet demand for labour, but it could also reflect potential mismatches between the skills and availability of those who are unemployed and those sought by employers (SEO Amsterdam Economics 2019: 14). The number of vacancies in the Netherlands has been rising rapidly during past years. Since 2017, more than one million vacancies were created per year (SEO Amsterdam Economics 2019: 14). The Dutch labour market remained tight despite the Covid-19 crisis. In the first quarter of 2022 there were 133 open vacancies per 100 unemployed up from 106 per 100 unemployed in the last quarter of 2021. While the number of vacancies grows, the number of unemployed falls. This means that the demand for labour is above average and the available supply is relatively low. The below table shows CBS data on the job vacancy rate for specific sectors in 2022. Those higher than 80 are highlighted in red. Job vacancies are specifically available in mining, construction, energy supply, hotel and food business sectors and in ICT largely confirming the shortage sector discussed above, while highlighting also increasing needs in the service sector and hospitality industry.

41 Interview, Sectoral Employers Federation, January 2022.

42 The Job vacancy rate is measured by available vacancies per thousand employees.

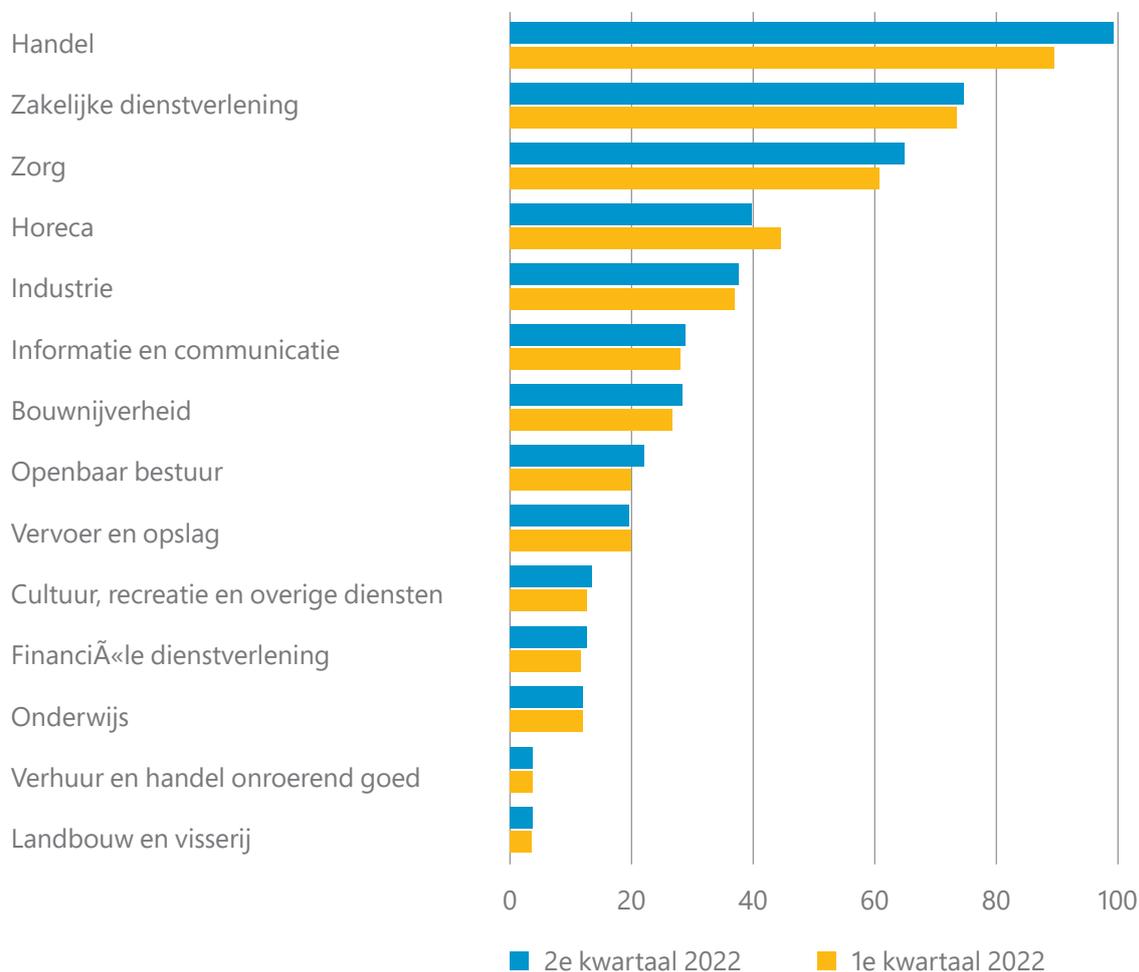
Figure 10: Vacancy rate per sector, 2nd Quarter 2022

	Vacancy rate (number)
A-U All economic activities	54
A Agriculture, forestry and fishing	32
B-F Manufacturing and energy	60
B Mining and quarrying	91
C Manufacturing	49
D Energy supply	81
E Water supply and waste management	52
F Construction	81
G-N Commercial services	61
G Wholesale and retail trade	69
H Transportation and storage	51
I Accommodation and food serving	96
J Information and communication	89
K Financial institutions	58
L Renting, buying, selling real estate	58
M-N Business services	43
M Other specialised business services	70
N Renting and other business support	28
O-U Noncommercial services	40
O Public administration and services	39
P Education	25
Q Health and social work activities	45
R Culture, sports and recreation	46
S Other service activities	57

Source: [CBS](#)

In total numbers, trade, business services, healthcare, hospitality, industry and ICT as well as the construction sector are the sectors with the highest open vacancy figure as shown in Figure 11.

Figure 11: Open vacancies, seasonally adjusted



Source: [CBS 2022](#)

4.4 KEY TARGET COUNTRIES FOR EXPORT AND INVESTMENT

Trade and Investment Relations

The top 10 trading partners of the Netherlands for foreign trade in 2020 included Germany, Belgium, China, the US, the United Kingdom (UK), France, Italy, Poland, Spain and Sweden. This shows that the EU is important for Dutch trade with about 70%.⁴³ Nearly 22% of Dutch goods are exported to Germany. Also concerning imports, the EU share is the largest with 53%. The most important countries outside the EU for imports to the Netherlands are China, the US and Russia (Creemers and Draper 2021).

43 This figure includes the UK, which is no longer part of the EU.

Dutch exports to Bangladesh had a value of USD 415 million in 2021, with Senegal USD 992 million and with Tunisia USD 355 million. Only Nigeria, Egypt and Morocco are above the one billion mark with USD 4.5 billion, USD 2.55 billion and about USD1.5 billion of value of Dutch exports in 2021 respectively. None of the EU Talent Partnership pilot countries (Morocco, Tunisia, Egypt, Senegal, Nigeria, Bangladesh and Pakistan) feature high in the list of import trading partners of the Netherlands.

In cooperating with third countries, the new Dutch strategy on trade and development cooperation presents a number of countries, in which the Netherlands will focus on a combination of trade and development cooperation. Activities will be guided by trade opportunities in the field of sustainability and digitalisation. These so-called 'combination countries' include a number of priority countries for EU Talent Partnerships, namely Bangladesh, Egypt, Morocco, Nigeria and Senegal, next to Colombia, Ghana, India, Indonesia, Ivory Coast, Kenya, Ukraine, Vietnam and South Africa.

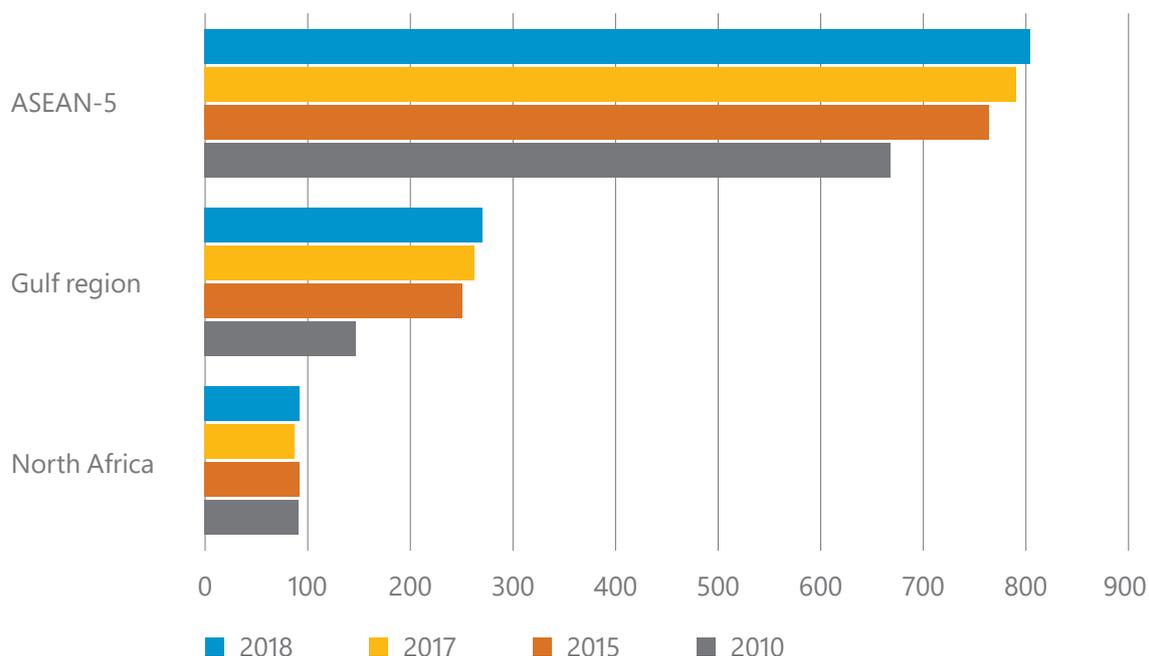
The most important investment partners for the Netherlands are the US, Luxembourg and the United Kingdom. For outward investments, the US and Switzerland have gained in importance, with Dutch investments in Luxembourg declining. The predominant form of investment is in banking and insurance (80% of total inward investments), this is followed by inward investment in mining, quarrying and petroleum/chemical industries.

Relevant for labour migration, and specifically the posting of corporate transferees (see section X for a more detailed discussion), is the origin of multinational companies active in the Dutch business economy. In 2016, over 23,000 multinational companies were active in the Netherlands, with over 50% having a parent company outside of the Netherlands. The largest share of foreign multinationals are from the US followed by Germany, the UK, Belgium, France, Japan, China, Switzerland and Sweden. Especially Chinese and Turkish enterprises have increased their influence in the Netherlands since 2014 and also companies under control of countries in the Gulf Region have been rising (Franssen and Jaarsma 2019; Berkenbos et al. 2021). The most important sector for foreign multinational companies is wholesale and retail trade, followed by manufacturing.⁴⁴

Dutch multinational countries operating outside the Netherlands, do so to a large part in Germany, followed by the US, France and China. Other important non-EU countries include Singapore, Australia, Canada and Brazil (Berkenbos et al. 2021). There has, however, been considerable growth in the number of Dutch multinationals operating in the ASEAN-5 countries (Indonesia, Malaysia, Singapore, Thailand and Vietnam) as well as in the Gulf region (Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the UAE). The number of Dutch subsidiaries in North Africa (Algeria, Morocco, Tunisia and Egypt) has remained stable between 2010 and 2018. In North Africa, Morocco has been the country with most Dutch subsidiaries in 2018: Out of 95 Dutch companies in that region, 45 were situated in Morocco (a growth of +5 compared to 2017). The number of Dutch companies in Tunisia declined however.

44 Within the manufacturing sector, especially the metal industry is projected to face shortages of workers (see section 4.3). Wholesale retail and trade is not mentioned as a specific shortage sector in recent Dutch labour market assessments.

Figure 12: Foreign subsidiaries under Dutch control, ASEAN-5, Gulf and North Africa regions

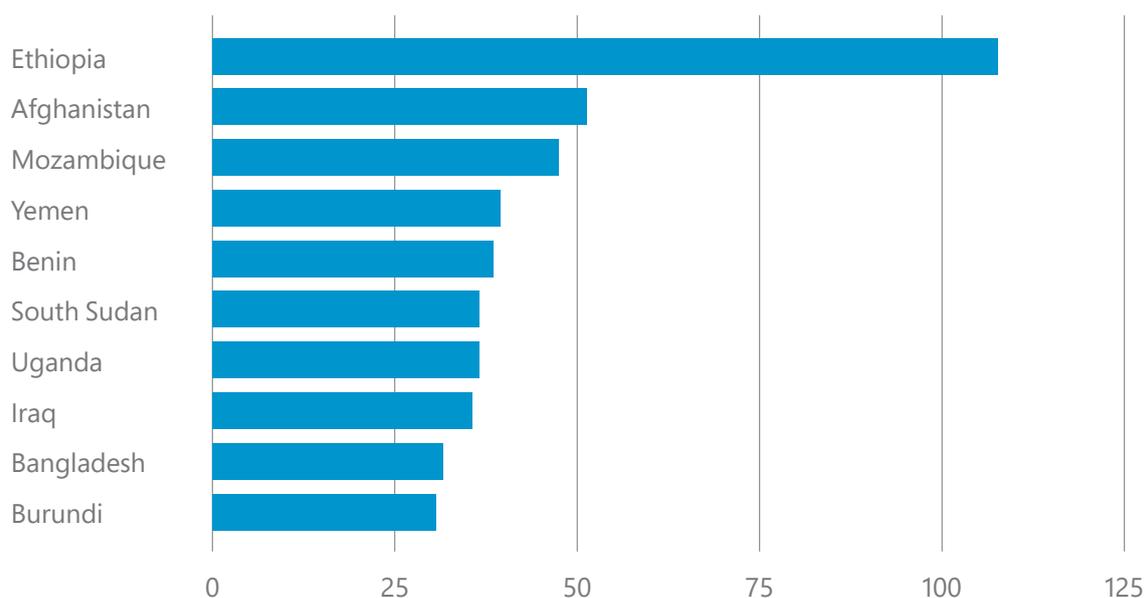


Source: CBS, Eurostat

Despite only being a very small player when it comes to destination for Dutch goods or for imports (Creemers and Draper 2021), the African continent and a number of African countries have grown in importance for Dutch SMEs. The two years before the COVID-19 pandemic, trade relations and investments between the Netherlands and the African continent have increased (Stam 2022). In 2020, VNO-NCW published an Africa strategy to encourage members to take African countries as trading and investment partners more seriously acknowledging the market opportunities and potential that exist in the fast-growing economies on the African continent (NABC 2019). It has, for years, also lobbied the Dutch Government to draw up an Africa strategy, which has been announced for 2022 (Stam 2022). The publication points out that the growing workforce can support Dutch businesses and that “the growing African workforce can also be made ‘circular’” referring to circular labour migration (Stam 2022: 7). The top three countries for economic relations from the perspective of the Dutch Employers’ Federation of SMEs are South Africa, Nigeria, Egypt, followed by the Ivory Coast, Kenya, Algeria, Ethiopia and Morocco. From the perspective of African countries, in Cape Verde, Senegal and the Gambia, Dutch imported goods have a market share of 12.7%, 12.5%, 6.8% and 4.3% respectively (Creemers and Draper 2021). The Netherlands is also a very important market for the Ivory Coast and Ghana, because it is the main customer for cocoa beans. For the Ivory Coast, the Dutch export share has been 11% in 2019 (Creemers and Draper 2021).

Development Cooperation

In 2020, the following 10 countries received the highest ODA disbursements from the Netherlands. Bangladesh is the only Talent Partnership Pilot country among the top 10.

Figure 13: Top 10 partner countries (bilateral ODA), 2020

Source: Donor Tracker 2022

In terms of budgetary planning and allocation, Dutch development cooperation has been directed to countries in three 'focus regions' during the past years: West Africa and Sahel, Horn of Africa and Middle East and North Africa. Yet, Dutch aid still seems to be characterised by a level of fragmentation of resources, with 21 countries receiving bilateral assistance allocations in the 2022 budget. More recent attention has been to the Middle East and North Africa (a region that has been added), with countries like Jordan, Egypt and Tunisia being added to the list of countries that receive a considerable amount of resources. Development relationships with Indonesia, China and Rwanda, which used to be stronger, are being gradually phased out and resources have been strongly reduced for the 2022 budget. However, despite the aim to pool resources to focus regions, some countries, such as Bangladesh, Benin and Mozambique still receive considerable resources through Dutch cooperation despite neither being designated as partner country nor being located in a focus region (Oppewal 2021). Table X provides an overview over the planned 2022 ODA spending in Euro.

Table 2: Planned Dutch ODA spending 2022 per partner country, in Euro

1	Ethiopia	83.000.000
2	Mali	42.800.000
3	Uganda	39.000.000
4	Afghanistan	30.000.000
5	Burkina Faso	28.500.000
6	South Sudan	28.395.000

7	Niger	28.200.000
8	Burundi	27.700.000
9	Bangladesh	25.000.000
10	Suriname	21.283.000
11	Benin	20.250.000
12	Yemen	20.150.000
13	Occupied Palestinian Territories	18.700.000
14	Mozambique	16.600.000
15	Somalia	14.500.000
16	Jordan	14.250.000
17	Tunisia	11.500.000
18	Egypt	9.600.000
19	Kenya	6.850.000
20	Sudan	6.250.000
21	Lebanon	6.000.000
22	Rwanda	4.880.000
23	Ghana	46.00.000
24	Nigeria	4.200.000
25	Indonesia	2.233.000
26	Iraq	2.000.000
27	Senegal	1.000.000
28	DRC	800.000

Source: Tweede Kamer 2021e

In summer 2022, the Netherlands published a new development cooperation strategy, noting 25 priority countries for future bilateral ODA efforts: Mali, Niger, Burkina Faso, Jemen, Palestina, Uganda, Ethiopia, South Sudan, Sudan, Burundi, Mozambique, Benin, Bangladesh, Egypt, Kenya, Jordan, Lebanon, Iraq, Afghanistan, Somalia, Chad and Tunisia.

Cultural Cooperation

Dutch international cultural policy has a focus on creative industries and shared cultural heritage. It has three main aims: 1) to strengthen the Dutch culture sector; 2) to expand the room for the arts to contribute to a safe, just and future-proof world; and 3) to deploy culture in diplomacy as a strategic tool for positive relations with third countries. Priority countries outside the EU where the Netherlands pursues these goals are: Brazil, China, Indonesia, Japan, South Africa, South Korea, Turkey, the UK and the US. For aim number 2), also Egypt, Morocco, Russia and Turkey are key priorities. The Dutch shared cultural heritage programme supports activities in Australia, Brazil, India, Indonesia, Japan, Russia, South Africa, Sri Lanka, Suriname and the US (Government of the Netherlands n.d.-b).

5. PATHWAYS OVERVIEW BY CATEGORIES AND THEIR USE AND EFFECTIVENESS

Overall, as the ACVZ points out “selectivity is at the heart of the admission policy for paid employment: The Netherlands is welcoming to highly skilled migrants and reluctant to admit any other migrant workers, with the exception of certain specialist jobs” (ACVZ 2020: 61).

For a foreign national to be able to work in the Netherlands and have access to the Dutch labour market they either need a combined permit for residence and work or the employer needs to have a valid work permit for the foreign employee.

The Netherlands applies minimum income requirements for the applications for residence permits and combined work permits and differentiates for different sectoral professions, such as arts and culture, knowledge migrant, Blue Card, Startup, students and trainees (IND n.d.-b).

The Netherlands has no labour migration policy at the meso (sector-oriented) or macro level for dealing with situations other than the extreme cases involving, for instance, a knowledge migrant who works for a company like ASML on the one hand, and an Asian wok chef on the other. In the vital sectors such as healthcare, there is certainly room for this. The opportunities that labour migration from outside the EU offers to Dutch society are currently not being sufficiently researched, considered or utilised.

As part of the COVID-19 crisis, the Netherlands did not introduce new policies or procedures to promote the access of non-EU migrants to essential sectors.

5.1 NATIONAL SCHEMES (PROGRAMMES) TARGETING HIGH-SKILLED, MEDIUM-SKILLED AND LOW-SKILLED WORKERS

Highly-skilled Segment: Knowledge Migrant Scheme

The scheme for highly skilled migrants, or knowledge workers (kennismigrant) was launched in 2004. Highly-skilled migrant workers are defined by a minimum monthly market salary and migrants that meet the qualification requirements of academic research or doctor training to be a specialist. The salary threshold for the national knowledge worker system is slightly lower than that for the EU Blue Card (€4,840 gross for workers 30 years and older and €3,549 gross for workers younger than 30 years old). Another pre-condition is that the employer has to be a recognised sponsor and

meet certain conditions. The highly skilled migrant residence permit can be issued for a maximum of five consecutive years.

Almost two thirds of all labour migrants from outside the EU come through this scheme, as CBS has shown (ACVZ 2021). In 2019 20,970 applications for work permits under this scheme have been received. After a dip in 2020 (with only 13,710 applications) due to the COVID-19 pandemic, numbers picked up in 2021 again with 22,840 received applications (IND 2021a). The approval rates are high ranging between 91% to 94% during the last three years. Main nationalities are Indian, Chinese and Turkish. Many end up leaving again and are transient: “Of the knowledge migrants who came to the Netherlands in 2009, more than 80% left the country again within 10 years” (ACVZ 2021). Government officials interviewed for this study view the scheme as effective and efficient in serving the Dutch economy and worry that with further EU harmonisation, some of the advantages of the simple system of the Netherlands may be lost.⁴⁵

The knowledge migrant scheme is restrictive and often used by IT professionals. The knowledge migrant scheme works well for younger entry-level IT labour with university education, which meet the salary requirements.⁴⁶ Companies in other sectors with labour shortages, such as the technical installation sector mentioned above, are only rarely using the scheme, because the burden of proof for qualification is difficult since people are often trained on the job (with the exact match between employee and company being created not upfront but through on the job training and work-based learning) and do not have formal qualifications beforehand. Red-tape is, in addition, seen as an obstacle. Companies in the sector would thus welcome the simplification of the application process and a reduction in administrative burden (Terpstra and van Heeswijk 2022).

Middle Skill Segment

The ACVZ previously concluded that, unlike the top segment, the middle segment of the labour market is not supported by a labour migration policy that is specifically geared to it. For less labour-intensive work or for lower paid specialist work which is subject to increasing shortages in the labour market, the Netherlands uses a restrictive framework, which is set out in the Foreign Nationals Employment Act (applying a priority workforce criterion which means carrying out a strict labour market test). The fact is, however, that most employers find the application procedure to obtain a work permit for persons from outside the EEA too complex and time-consuming. The criterion is rigidly applied to each individual application, whether it concerns a ‘vital’ sector, one with structural shortages or a sector for which there is expected to be a surplus in the future.

Workers needed in the healthcare sector, such as nurses, usually do not qualify for the knowledge worker scheme because of the salary requirements and their salary level not being high enough.⁴⁷ One of the main impediments for the health sector is, however, that foreign skills need to be recognised and validated and language skills have to be sufficient. Interviewees noted that the validation

⁴⁵ Interview, government officials, February 2022.

⁴⁶ Interview, university professor, January 2022.

⁴⁷ Interview, university professor, January 2022.

of qualifications is the main hurdle rather than the labour market tests or salary criterion.⁴⁸ Employers in the healthcare sector have found some ways to still employ foreign nationals from outside the EU. Some take the route of higher education and encourage nurses, for example, from Indonesia, to follow education in the Netherlands to become a higher educated nurse while employing them as student workers in homes for elderly as care workers.⁴⁹

Asian Catering Industry

A scheme specifically for Asian chefs to receive temporary residence permits has been introduced in 2016, building on a prior similar scheme. The scheme is based on a covenant between the Asian catering industry, the UWV and the IND. For specific roles, IND and UWV agreed to issue a maximum number of work permits and combined residence and work permits for qualified Asian cooks, without subjecting applications to a labour market priority test, which would usually apply. As quid pro quo, the Asian employers are required to also employ and train Dutch or European cooks and pay the agreed wages to the foreign cooks. The Netherlands granted 1,800 permits between October 2016 and October 2017 and another 1,530 permits between October 2017 and October 2018 (EMN 2019b). In 2019, the original annual quota of 1,500 residence and work permits for Asian chefs had been reached by April 2019 and an additional 800 permits were opened (EC 2019). After 2019, the quota was removed and an assessment of the presence of priority labour supply from the EU or the Netherlands introduced, however employers were not required to actively search. From 1 January 2022, the scheme expired and has not been renewed. This was mainly due to signals of abuse (EMN 2019b)⁵⁰ and the employers not following the requirement to train and employ Dutch and European nationals. This leaves the normal route of applying for a combined work and residence permit at the IND which is subject to a labour market test (IND 2021b). Already in 2019, the Government stated that *"the regulation in place does not encourage employers enough to make efforts to come to a sustainable solution for the shortage of chefs who are qualified in the Netherlands and the European Union"* (EMN 2019b).

5.2 EUROPEAN LEGAL PROVISIONS AND THEIR USE AND EFFECTIVENESS

Some of the routes to enter the Dutch labour market as third country nationals are based on EU-law. The following will, in particular, discuss the Blue Card, the Seasonal Workers Directive and the issue of secondment of third country nationals from other EU member states.

48 Interview government officials, February 2022.

49 Interview ACVZ, January 2022.

50 There were, for instance, signals that the regulation is being used to bring cooks from third countries to chefs in restaurants where it is doubtful an Asian specialist is required.

Blue Card Directive

Access to the Dutch labour market under the Blue Card scheme exists in parallel with the *Kennismigrant* scheme. The Netherlands applies a wage requirement to Blue Card applicants, similar to the Kennismigrant scheme, which in 2019 was €5,272 gross per month and in 2022, €5,670 gross per month. Applicants also need to have completed a higher education programme demonstrated by a recognised diploma and hold an employment contract that lasts for at least 12 months.

Under the Blue Card scheme, however, only few labour migrants enter the Netherlands. In 2020, only 150 migrants were granted a work and residence permit under the EU Blue Card Scheme. In 2018, the number stood at 118 (EC n.d.-b). Between 2011 and 2016, a total of 74 residence permits were issued under the Blue Card Directive (EC 2018: 73).

There are several reasons why the Kennismigrant scheme is preferred over the EU Blue Card scheme: First, for the knowledge worker scheme, the Netherlands has introduced a system of recognised sponsorship, which reduces the administrative burden for recognised employers. If an employer is a 'recognised sponsor' then the Dutch system is chosen automatically. Second, the salary threshold for the national knowledge worker system is slightly lower than that for the EU Blue Card (€4,840 gross for workers 30 years and older and €3,549 gross for workers younger than 30 years old) (Dutch Ministry of Justice and Security n.d.). Third, for the EU Blue Card, the applicant must present documents attesting the successful completion of higher education or professional qualifications. The evaluation of diplomas often adds extra costs and time. This requirement does not exist with the national scheme and makes the EU Blue Card less attractive. Dutch employers to date, prefer the national scheme over the EU one (Jenneskens 2019: 37-38).

The Netherlands is positive about the revision of the European Blue Card. EU policy on migration of highly-skilled migrants has added value as it can make the EU, and thus the member states, more attractive to highly-skilled migrants. This joint policy can be better regulated at EU level than by the member states individually. As a result of the revision, the European Blue Card is more in line with the Dutch system for attracting highly-skilled migrants. This means that the revised European Blue Card Directive is also in line with the coalition agreement's desire to create more structure in labour migration (Tweede Kamer 2022c).

Seasonal Workers Directive

The Seasonal Workers directive offers third-country nationals the opportunity to work temporarily in the EU as seasonal workers. Under the directive, EU member states have the right to carry out a labour market test before granting permits. The Netherlands makes use of this right, which, in effect, has meant that it has been impossible to receive a work permit as a seasonal worker under the EU directive. So far, no third-country nationals have been admitted to the Netherlands on the basis of the Seasonal Workers directive, because the labour market test has always shown that there are other workers in the Netherlands or the EU that could carry out the work (Tweede Kamer 2021a). Interviewees pointed out that there have been no, or few, applications for labour migrants outside the EU to carry out seasonal work. To date, seasonal work in the Netherlands has been done mainly

by workers from Poland, Romania and Bulgaria. However, since it is becoming increasingly difficult to attract workers from these countries, attracting seasonal workers from outside the EU may be important in the future.

The Ministry of Justice is working on the questions of seasonal migration to develop a longer-term perspective taking into account not only the vacancies that need to be filled but also the broader implications on services and housing of an increase in migrant numbers in a certain sector or region.⁵¹

Secondment of Third Country Nationals

The Netherlands has experienced an increasing trend of '**secondment of third country nationals**' from other EU member states. This describes a phenomenon of third-country nationals, who hold a residence or work permit in another EU country, make use of the right to cross the border into the Netherlands to offer work services under the EU's internal market and free movement of services. While numbers are still limited, there has been a growth which has been cause for concern. First, because it limits the Dutch Government's control over who enters and whether workers in the Netherlands are crowded out from the labour market. Second, because also these third-country nationals may be vulnerable to exploitation (Tweede Kamer 2021a) and it has been difficult to monitor labour conditions.⁵² This trend has triggered a political debate in the Netherlands with some Members of Parliament asking the Government for possibilities to restrict this type of movement at European level, for instance, by introducing additional work permit requirements. However, since this type of movement is linked to one of the fundamental freedoms of the European project and the internal market, the previous Dutch Government has taken a clear stance against such propositions noting that "it is not useful to re-examine the possibilities of a permit requirement for labour migrants as a possibility for regulating such labour migration within the EU" - not least because it would entail an arduous process of an EU Treaty amendment (Tweede Kamer 2021c). There are, however, bilateral exchanges on the secondment of third-country nationals between the Netherlands and other EU member states and there are ongoing efforts to tackle issues around problems associated with cross-border postings of third country nationals.

Intra-Corporate Transferees

The Dutch system has incorporated the guidelines of the EU Intra Corporate Transferees Directive, which allows managers, specialists and trainees to be transferred to Dutch branches of international companies where they are employed. In 2020, 2,150 knowledge workers came through this provision (Dutch Ministry of Justice and Security 2021b).

51 Interview, MinJustice, February 2022.

52 Interview, MinJustice, February 2022.

5.3 SEASONAL AND TEMPORARY MIGRATION SCHEMES

Seasonal Workers in the Agricultural Sector

As mentioned above, under the EU Seasonal Workers directive, the Netherlands has opted to apply strict regulations when transposing it into national law. Netherlands has a scheme that makes it possible to apply for a residence permit for seasonal work specifically in the agricultural sector. This permit allows a labour migrant to work for a maximum period of 24 weeks for an employer in agriculture or horticulture, who acts as a sponsor or recognised sponsor. The income requirement is to earn a minimum of €1,725 euro gross per month, excluding holiday pay (IND n.d.-a).⁵³ This scheme is rarely used in practice. Applications are rejected on the basis of a strict labour market test by the UWV (priority-enhancing offer takes precedence over the influx of third-country nationals). Some political parties (D66) have voiced concerns that the strict application of the labour market test exacerbates shortages in the sector. (Tweede Kamer 2022d). Employers in the sector who would like to make use of the scheme are also concerned about the difficulty to recruit from outside Europe amid growing labour shortages. Interviewees from the Dutch Government did not feel that overall there has been a strong public and political debate about shortages in the agricultural sector.⁵⁴

Controversial has been the question whether Dutch nationals would, in principle, be available to perform the work. This has been the underlying reason for the UWV to reject applications given the number of Dutch nationals on social benefit who would in principle be available to perform the work. However, in practice it has been very difficult for employers in the agricultural sector to find suitable candidates on the Dutch labour market given the type of work to be performed.⁵⁵

International Trade Scheme

Companies can flexibly hire foreign employees to work in the Netherlands through the International Trade Regulation. A company needs to register a specific project with the UWV, which can be a collaboration, a partnership or an agreement between a foreign and a Dutch company to jointly deliver goods and services. Foreign migrant workers can be hired without needing to apply for a work permit if the company notifies the UWV of the arrival of the foreign employee. There are certain criterias that the project must meet in order to be registered. The employer will need to apply for a residence permit for the foreign worker. This is a temporary scheme and labour migrants qualify if they are only temporarily working in the Netherlands within the scope of the approved project (IND n.d.-b).

Posted Workers from other EU Member States

Since March 2020, the Netherlands requires foreign service providers to report and register the type and duration of work they perform in the Netherlands on a dedicated website. Given that the re-

53 Standard amounts valid from 1 January 2022 to June 2022.

54 Interview government officials, February 2022.

55 Interview, government official; Interview employer, January and February 2022.

quirement is fairly recent, the Government estimates that there is an under-reporting. The numbers reported in 2020 (February to December 2020) through this system was 315,230 of which 94,417 had a nationality from outside the EU, EEA or Switzerland (Dutch Ministry of Justice and Security 2021: 66). Especially companies from Poland and Lithuania report many persons with a non-EU nationality compared to other EU member states (Dutch Ministry of Justice and Security 2021).⁵⁶

It is striking from the figures that a significant proportion of the reported employees are persons of non-EU nationality, mainly by companies established in Poland and Lithuania. For both EU member states, this mainly concerns persons with Ukrainian or Belarusian nationality. This is especially visible with notifications in road transport. As noted earlier, there are probably companies that register a large number of drivers in advance with an annual report. It is impossible to say on the basis of these figures how many employees have actually worked in the Netherlands, and for how long. In the other sectors too, companies established in Poland and Lithuania report relatively many persons with a non-EU nationality compared to the other member states.

5.4 BILATERAL OR SPECIAL LABOUR AGREEMENTS AND PARTNERSHIPS

In the past, the Netherlands have had experience with skills and migration partnerships under the so-called 'Blue Bird' Scheme - a programme that planned to give 160 mid-skill professionals from South Africa and Indonesia the opportunity to temporarily work in the Netherlands. This circular migration scheme did however not bring the envisaged results and was therefore discontinued. Usually private sector actors involved in skills, migration and mobility schemes tend to prefer keeping staff they trained and invested in. They are thus not in favour of temporary schemes with restricted timeframes for mobility. This has posed challenges for such schemes in the Netherlands.

There is currently one scheme for the purpose of work (EMN 2021),⁵⁷ the Match project, implemented by IOM. It aims to address labour market shortages in four EU countries, including the Netherlands. In the Netherlands, the Netherlands-Africa Business Council is a partner and the aim is to promote legal pathways for highly-skilled candidates from Nigeria and Senegal to temporarily work in Dutch companies - primarily in the ICT, technology and digitalisation sectors. The programme also includes complementary training, and measures facilitating knowledge transfer (EMN 2021). The Government is not a direct partner of this scheme and is not following it closely.⁵⁸ This has also created challenges for the programme, as no official endorsement meant that visa processes were not being facilitated and in some instances, visas were rejected the first time.⁵⁹

The Government is currently exploring in what way circular migration schemes could be included or embedded in partnerships on return and readmission and wider migration governance with third countries as part of a comprehensive approach to migration management. However, interviewees

⁵⁶ The figures are, however, to be read with caution because some companies in the transport sector pre-register all their drivers. It may be that not all end up performing work and services in the Netherlands.

⁵⁷ There are other agreements with specific countries for educational purposes.

⁵⁸ Interview, ministry official, February 2022.

⁵⁹ Interview, IOM, February 2022.

for this study agree that the private sector is not always in favour of temporary migration schemes. Given the investments it takes to integrate and train labour migrants, a more permanent engagement is often preferred.⁶⁰

5.5 QUOTA SYSTEMS

The Netherlands currently does not have any overall quota system in place in the context of its labour migration policy. The ACVZ is currently studying quotas or reference numbers for asylum seekers in the German context. In theory, quotas could be introduced as part of existing exemptions from the general rule of the Foreign Employment Act. For instance, for specific shortage sectors one could introduce a lowering of the salary threshold linked to a specific quota or one could - based on a covenant - exempt specific sector workers from the labour market test requirement and also introduce a quota for this.

Quotas could also be a way to put the welfare approach to labour immigration, suggested by the ACVZ, into practice. A quota could, for example, take into account the housing situation and determine a specific figure that could be divided into different forms of migration (family, labour, asylum et cetera.).

Interviewees from the Dutch Government, however, did not think that quotas would be useful in the Dutch context, because migration flows are rather difficult to predict (especially for asylum) and labour market situations are dynamic. Quotas are inflexible to the point that they may likely trigger exemptions or political pressure to increase them once full.⁶¹ The fact that they can also be easily changed and are often arbitrary figures, renders them less effective. They are thus not useful for high-skilled labour migration, for which the liberal approach works well. It would also be difficult to divide quotas between different sectors or employers.⁶² Quotas can, however, be a practical political signalling for the public giving the message that the government is 'managing migration'.⁶³

5.6 INNOVATIVE (PILOT) SCHEMES AND PROGRAMMES

In 2015, The Netherlands put in place a start-up scheme for innovative entrepreneurs. With this policy it became one of the frontrunners in Europe to establish policies for start-ups within and outside the EU, next to Estonia and France (EMN 2019a). In order to receive a start-up residence and work permit, a number of conditions must be met and a process has to be followed: A step-by-step plan for the business has to be developed, cooperation with a facilitator takes place, the facilitator and the start-up are registered in the NL, sufficient financial resources exist to cover living expenses in the Netherlands and no criminal record exists. Residence permits for start-up entrepreneurs are

60 Interviews with university professor; government officials; and IOM, January and February 2022.

61 Interview, MinJustice, February 2022.

62 Interview, MinJustice, February 2022.

63 Interview, university professor, January 2022.

issued for one year (from 2022 it is three years) after which entrepreneurs must meet conditions to work as self-employed persons. The procedure to convert the permit into an ordinary self-employed persons permit has been relatively easy to date (ACVZ 2020).

As part of the access scheme, start-ups must cooperate with a so-called recognised facilitator, that offers the starting entrepreneur a tailored support package and helps with business operations, marketing, market research and finding investors (EMN 2019a). The facilitator acts as a type of mentor and also helps ensure the feasibility of the new business. They do know the market better than government actors and thus help also select start-ups with great potential. The Netherlands also offers support to entrepreneurs wanting to come to the Netherlands in the form of the Netherlands Point of Entry - a support desk that guides innovative entrepreneurs from the beginning and helps them to set-up a business and apply for a residence permit. The start-up scheme receives between 100 to 150 applications yearly with approval rates of 68%, 64% and 82% respectively for 2019, 2020 and 2021 (IND 2021a). The IND takes a decision in cooperation with the RVO overseeing the facilitator process. The RVO provides the final assessment for the entrepreneur to obtain a visa from the IND.

A pilot residence scheme for **key essential personnel of startups** has entered into effect in June 2021. This scheme makes it possible for innovative companies to hire essential personnel from countries outside the EU at a reduced salary criterion in exchange for a share in the company (Dutch Ministry of Justice and Security 2021). This was based on the realisation that key personnel were often not able to meet the high salary threshold of the knowledge migrant scheme. Startups can issue shares for employed workers, they would like to bring in from outside the EU if they don't meet the salary threshold in order for them to fall within the knowledge migrant scheme.⁶⁴ Other challenges relate to more practical issues, such as language barriers, access to finance and bank accounts et cetera.⁶⁵ One interviewee pointed out, however, that some entrepreneurs hire themselves as a knowledge migrant so that they don't have to go through the system of the RVO.⁶⁶

Most applications for the start-up schemes during the past three years have come from Indian, Iranian and Russian nationals.

There is a residence permit scheme for **self-employed people** who want to work and live in the Netherlands. The services offered, or activities performed, will need to serve the interests of the Dutch economy and the IND takes the advice of the RVO on this. The essential interest of the Dutch economy is assessed on the basis of a points-based scoring system. There are three parts for which a total of 300 points can be gathered: (i) personal experience and education; (ii) business plan; and (iii) added value for the Netherlands. At least 90 points are needed (and at least 30 points for each part) to be granted a residence permit (IND n.d.-c). The IND's annual report or figures do not differentiate and list this scheme as an extra item. Together with the self-employed start-up scheme, in 2020, 450 residence permits were issued for self-employed people (Dutch Ministry of Justice and Security 2021).

64 Interview, university professor, January 2022.

65 All good practices and challenges have been documented in EMN 2019b: Migratory Pathways for startups.

66 Interview, university professor, January 2022.

5.7 POSSIBILITY OF STATUS CHANGE

International students who graduate from a Dutch university are entitled to apply for an orientation year (zoekjaar), which consists of a one-year visa allowing alumni to stay and work in the Netherlands without any restrictions. This year is meant for former students to find a job that qualifies them to apply for the knowledge migrant scheme or to start their own company and qualify for the start-up scheme.

For **asylum seekers**, the government so far argued that a status change is not favourable and that asylum migration and migration for economic reasons should be kept separate. The 2018 comprehensive agenda on migration for instance argues against a status change: *“Asylum migration is about providing protection, not facilitating employment. The asylum procedure is not intended for those who want to come to the Netherlands for economic reasons. Any confusion between these groups is undesirable and should be challenged”* (Dutch Ministry of Justice and Security 2018: 10).

There is currently a discussion on the compatibility of the restriction on access to the labour market to a maximum of 24 of the 52 weeks for asylum seekers who wait longer than 6 months for their permit (Art. 6.2 draft decree implementing the Foreign Nationals Employment Act). This restriction, which seems in practice to make it difficult for asylum seekers to find employers, may also be at odds with the EU Reception Directive and the right for asylum seekers to access the labour market. The total number of applications of asylum seekers for a work permit is very low and on top a large number of applications are refused. Some political parties argue for investigating more closely whether asylum seekers can also contribute to tackle labour market shortages in the Netherlands and whether the 24 week requirement is acting as an obstacle both for asylum seekers to start looking for work and for employers to hire asylum seekers (Tweede Kamer 2022e).

6. ANALYSIS AND SUGGESTIONS FOR POLICY

The Netherlands experiences structural shortages in the labour market in a number of crucial sectors – both at the high-skill level (e.g. ICT, health sector) as well as the middle-skill and lower-skill level (e.g. health care workers).

The government aims to address the tight labour market situation with a number of measures. International migration is one of them but, from the perspective of the Ministry of Social Affairs and Employment, does not take priority and is seen only as relevant if the other measures do not lead to improvements.

At the same time, the current government coalition seems more open to explore introducing labour migration possibilities, for instance through possibilities for circular migration and as part of partnerships with third countries, which would support the approach of the Ministry of Foreign Affairs and could be used as an incentive for cooperation on return and readmission, or through more general adjustments of labour migration schemes.

Interviewees all agreed that there is more openness to reform labour migration policies and to test new ideas with the current coalition government than with the previous one.

At the time of research, it was however not clear which direction the government will take and whether the objectives of the coalition agreement will lead to an actual increase in labour migration possibilities. This is due to on the one hand the coalition parties having different views on the matter and on the other a polarised public and political debate on labour migration. An increase in migration can also lead to increased pressures on housing, education and other services, which already face challenges. This has led to prevailing negative views on some types of labour migration in some Dutch communities. There is thus not a lot of room politically to discuss opening up the Dutch labour market to foreigners, especially as it concerns the lower-skill level. The government is not yet discussing anything concrete and the minister has not asked to develop possible options for a reformed labour mobility system that responds more strongly to labour market demands, while taking the broader welfare of the Dutch society into account.

As section 1.3 and 5 have shown, the Netherlands has a very restrictive policy for lower-skilled migrants which do not qualify for the knowledge migrant scheme and do not meet the set salary threshold. The ACVZ has pointed out that this policy is *“unable to keep pace with the actual demand for workers”* (ACVZ, 2020, p.65) leading to production constraints. In the future there could be more opportunities for labour migration pathways for middle skilled migrants covering for instance specific technical professions, such as the health sector. Politically, it will likely be difficult for the government to liberalise migration policies for lower skilled migrants and for this group access will likely

remain restricted.⁶⁷ The government is also working on improving the conditions of migrant workers (including from within the EU) in the Netherlands and to address issues of abuse following up on the Roemer task-force report (see section 1.2). The issue of rights and treatment is thus not further discussed in the below discussion.

There are several options to increase flexibility in the Dutch labour migration system and open pathways through adjusting policies within the existing Dutch legal framework. These will be discussed in the following.

Exemption of the Labour Market Test or Work Permit

It is possible to introduce **exemptions** for the labour market test for specific sectors in which large labour market shortages exist. The application of the strict labour market test for workers in the low- and middle-skill section is the key reason for the low admission number. For instance, the Seasonal Workers Directive, while transposed into Dutch legislation, is in practice not a pathway through which migrant workers can enter the Netherlands. Employers in agriculture but also in technical fields would welcome additional opportunities, for instance through exemptions for specific professions or sectors that are short in supply. Another option is to exempt specific groups from the necessary work permit or to apply a more limited test.

One way to introduce such exemptions is for employers in specific sectors to establish **sectoral agreements** (so-called covenants) with the trade unions and the UWV. These agreements could include exempting specific groups from the strict labour market test and can also be combined with quotas. Other criteria or conditions, such as provision of housing, fair pay, training or other support as well as linked to increased efforts to train or recruit Dutch or EU nationals, could also be included. An example of this route is the Asian Chef agreement, which was based on a covenant but has been discontinued due to abuse. This option could, however, be politically difficult as it involves finding an agreement with the trade unions, which have been more protective.⁶⁸ One ministry interviewee pointed out that the Asian Chef model had been an exception and that it would be unlikely to act as a model for other sectors.

A second way to establish such exemptions is through a ministerial declaration issued by the minister to exempt certain professions from the labour market test or the need to have a work permit issued. This is how the knowledge worker scheme came into being. Such exemptions can be combined with measures like the salary threshold for knowledge workers.⁶⁹ The introduction of a more limited labour market test instead of a full one is possible already for specific groups such as working students, trainees, practitioners, teachers in international education and short-stay highly-skilled migrants. Extending it to other groups would require a decision of the Ministry of Social Affairs and Employment, which is able to apply it to other groups in exceptional circumstances on the basis of international exchange, trade relations or study.

⁶⁷ Interview, MinJustice, February 2022.

⁶⁸ Interview, university professor, January 2022, Interview, MinJustice, February 2022.

⁶⁹ Interview government official, February 2022

Another way to introduce exemptions is for the government to relax the labour market test (e.g. for specific professions) as also discussed further below or to introduce a list of labour shortage occupations (periodically assessed) for which exemptions or relaxed rules could be introduced.

Establishing **quotas** would work with all these options, yet permitting specific volumes, according to the WAV, would need to be for specific categories of activities (such as elderly care or ICT software developers). Introducing quotas for more general groups (such as a specific amount of labour migrants for start-ups through the knowledge worker scheme) would be too broad and difficult to implement in the current legal system.⁷⁰

However, according to interviewees, the above outlined possibilities are not concretely discussed within the government and would be a big step from where the Dutch migration policy stands now.⁷¹

Adjust Wage Criterion

Another way would be to **lower the threshold for the salary requirement of the knowledge migrant scheme** so that more professions (including in the middle-skill sector, such as nurses who at the moment do not meet the salary requirements) would qualify as well. A government interviewee thought it unlikely to happen in practice, however given that the wage criterion is a cornerstone of the Dutch labour migration system for highly-skilled. It helps to ensure that there is indeed a high need (expressed through a minimum salary-level) for the worker. The risk with lowering the salary threshold is that this key characteristic vanishes. Since the knowledge migrant scheme is seen as efficient and effective by the government, this may be an unlikely route.

More Flexibility and Less Strict Assessment of the Priority Offer (Labour Market Test)

In principle, the Netherlands has a flexible system that should allow employers to hire foreign nationals if there is a shortage in the labour market and if sufficient attempts have been made to find labour supply in the Netherlands or in the EU. In practice however, the assessments of UWV are rather restrictive. Given that there are several hundreds of thousands of Dutch nationals receiving social assistance, there is a view that in principle, labour is available (even if not the case in practice) and based on this requests (especially for lower skilled workers) are declined. UWV could be flexible in their assessment whether labour is available or not. Another option is to reduce the required vacancy notification period required for the labour market test and accelerate it for certain shortage professions as it was the case with the Asian catering industry).

70 Interview, university professor, January 2022.

71 Interview, government officials, February 2022

Exploring Skills Mobility Partnerships and Circular Migration Schemes in the Framework of EU Talent Partnerships

One way for EU member states to explore addressing labour needs is to pilot skills and mobility partnerships with third countries within the context of the EU Talent Partnerships framework. The EU envisages Morocco, Tunisia, Egypt, Senegal, Nigeria, Bangladesh and Pakistan as possible pilot countries for talent partnerships.

The Netherlands is in need of workers in the middle- to high-skill segment in the IT, healthcare, technical and managerial jobs, but also in the construction and agriculture sectors.

A report by Clingendael has put forward the idea of exploring further the idea of setting up migration schemes with partner countries in the ICT and agriculture sectors in order to meet Dutch labour market needs, improve migration governance and relations with third countries and to maximise the benefits of international skills training and migration for sustainable development (Clingendael, 2021).⁷² The report suggests Tunisia, Ethiopia and Nigeria to this end as possible partner countries based on mutual interest in the horticultural sector (at TVET, professional and academic levels) and ICT (at professional/managerial and academic level). The suggestion is to design them as circular schemes in order to receive the required political and societal buy-in in the Netherlands.

This approach seems to be more rooted in the logic and approach of the Ministry of Foreign Affairs, rather than the other ministries in charge of migration policy. While presented as a win-win model that could help address labour market shortages within the Netherlands while supporting partner countries' development agenda (Clingendael, 2021), some interviewees note that it is neither discussed by the Ministry of Social Affairs and Employment and the Ministry of Justice nor viewed as a strong measure for addressing labour market needs. Dutch labour migration policy is predominantly based on the needs of the Dutch labour market and societal considerations and does not strongly take into account the perspective of partnerships and international relations.⁷³

As noted above, with the exception of knowledge migration, the current government considers labour migration from outside the EU only as a final measure in the approach to alleviate shortages on the labour market. There is however a willingness by the government to connect the dots and to integrate circular or temporary migration in exchange for return migration following the overall line of the EU. It does endorse the approach of well-designed migration partnerships with a view to exchange small-scale and targeted visas or temporary legal migration opportunities for better cooperation on readmission of asylum seekers who have exhausted all legal remedies and other migrants without legal residence in the Netherlands.

From the EU pilot countries, **Morocco** would be a likely country for setting up a pilot mobility partnership given already on-going dialogue and consultations and the development of a bilateral action plan on migration cooperation, in which legal migration is included. This could lead to more

⁷² The idea of exploring circular migration schemes is not entirely new and has already been in discussion in 2018 as part of the Comprehensive Framework. In the end, the minister however decided to not pursue this option further. The new coalition agreement provides new possibilities to design such schemes, though how to operationalise them, how to legally ensure a temporary nature and how to make them effective is not yet apparent.

⁷³ Interview Ministry Official, February 2022.

operational agreements for facilitating smaller scale legal mobility in return for cooperation on return and readmission. Compared to other EU Talent Partnership pilot countries, Morocco has the highest share of workers already in the Netherlands. Morocco is a country of interest for return and readmission given it is one of the key nationalities for migrant detention in the Netherlands.

Similarly with **Egypt** the Dutch government has signed a letter of intent for stronger cooperation on migration. To date no new pathways or schemes for Moroccan or Egyptian nationals have been included in these agreements and cooperation on labour migration takes place through information exchange and increase of knowledge on existing legal migration pathways and how they can be best utilised by Egyptian nationals. Egypt is in the top three countries in Africa interesting for economic relations from the perspective of the Dutch Employers' Federation of SME, next to South Africa and Nigeria.

Tunisia is another possible candidate for a possible scheme, though historical ties to the Netherlands are not strong. It has a larger labour stock than Egypt and Morocco overall, though less share in the agricultural sector. It has a high unemployment rate among educated youth with tertiary education. Yet, direct interests in establishing migration cooperation seems higher with Egypt and Morocco. As noted above, the Glastuinbouw sector has already been also looking at recruiting workers from Tunisia. Both Egypt and Tunisia also play an increasingly important role for Dutch development cooperation. ICT and engineering/construction could be interesting sectors to further explore given that these are popular sectors for tertiary education in Tunisia.

In Nigeria, popular education subjects in Nigeria are engineering and health and there is a relatively high unemployment rate for those with post-secondary education. It is also an important country for cooperating on irregular migration to the EU. The Dutch Employers' Federation of SMEs lists Nigeria among the top three countries for economic relations. Nigeria could thus be another viable partner to further explore - possibly building on experience gained as part of IOM's MATCH programme.

Bangladesh is one of the priority countries for Dutch development cooperation. It has a high share of agricultural workers. **Pakistan** may seem less likely as an obvious choice given limited relations between the Netherlands and Pakistan to date. Other countries that may be relevant for Talent Partnerships include **Indonesia**, with which discussions on recruiting health workers have taken place previously and which, due to its colonial history, has cultural ties with the Netherlands. In the health-care sector also the **Philippines or India** can be interesting, given that some vocational schools and care work agencies have started to recruit nurses who are then retrained in the Netherlands in order to work for 5 years in Dutch hospitals.

For highly-skilled migrants that meet the salary threshold, there are already existing pathways and favourable conditions in place. While some government officials interviewed do not view skills mobility partnerships providing any other possibilities or benefits within the current framework (EMN 2022), employers federations would be in favour of looking into integrating labour mobility provisions in bilateral agreements with third countries (VNO-NCW and MKB-Nederland 2022). A concern that has been voiced regarding partnerships with African countries on highly-skilled is to carefully look at the education standards and to complement schemes with education and skills programmes or support education of foreigners within the Netherlands (SEO Amsterdam Economics, 2019)

Introducing circular migration programs for sectors in need of workers at the mid-to lower-skill level (e.g. TVET level relevant for the agriculture-horticulture sector or for technicians) would find matches in graduates from Northern African countries, for instance in subjects such as engineering, ICT and other technical professions. This level of qualifications would require an adjustment of Dutch labour migration legislation to allow for these types of labour migrants to come and work in the Netherlands. Possible ways to do this are discussed in the prior section.

Whether temporary and circular migration works for all sectors is another question. Employers have in the past not always been in favour of the temporary nature of such programmes, especially in sectors where costs for training and integration are high. While it would work for agriculture and seasonal harvests, it may be more difficult for healthcare workers. Another question is whether the temporary nature can be legally enforced in practice. If someone of a temporary scheme for example applies for a regular residence or work permit and qualifies, there will not be a legal ground to exclude them based on a prior temporary scheme. Such circular migration possibilities are also often discussed in the context of broader migration relation with third countries including the question on their cooperation on readmission and return. However, it is not clear whether the countries with which the Netherlands aims to increase migration cooperation are also the same ones from which employers wish to recruit.⁷⁴

Flanking Measures: Accelerated Visa Issuance and Skill Recognition

The lengthy time it takes to process residence and work permits (in some cases up to 6 month) has been noted by employers as a barrier to flexibly hiring workers from third countries. Other than above mentioned possibilities for reform it would be important to increase the facilitation and acceleration of visa issuance for priority sectors.

Moreover, other administrative barriers include the collection and effective review of required documents such as diplomas, birth certificates and certificates of good conduct. These aspects can be addressed through partnerships and capacity building activities with public employment agencies in partner countries (*Clingendael 2022: 6*) and they also fit into Dutch policies of supporting a digital transformation agenda. Similarly, better cooperation concerning the facilitation of skill recognition in priority sectors could contribute to an efficient and effective procedure.

Room for Experimentation Beyond the Current System? - How to Translate a Welfare Approach to Migration Into Practice?

Industry and employers' associations have demanded a well-regulated method of labour migration and more room for experimentation. The ACVZ has lobbied to adopt a welfare approach to labour migration, which does not only take into account labour market and employers needs for workers but also the capacity of society (in terms of housing, services etc) to host labour migrants. Framing the discussion in the context of resilient societies and social sustainability is important for a

⁷⁴ Interview, MinJustice, February 2022.

political and societal climate that is accepting of labour migration at different skill levels. However, translating the welfare approach into practice and into legislation throws up further questions. A challenge may be the link of this overarching approach to actual policy and legislation. How would for instance a criterion like wellbeing of the host society be evaluated when it comes to a work permit application of a foreign national? It would also be complex to translate a criterion of 'sufficient housing' into practice. An option would be a quota based on available housing space, yet details such as the location of the available housing and whether hosting communities would be able to influence decisions would need to be clear. Interviewees pointed out that having too many parties, such as hosting communities, have a vote on admission of labour migrants would risk resulting in a system that is unmanageable, inflexible and unfriendly to employers' needs.

Employers' associations are of the view to give wide discretionary power to implementing bodies and departments of J&V and SZW to propose reforms and to experiment with well-substantiated proposals (even if outside existing regulations), that could then be assessed before adapting the Dutch labour migration system. One way of doing this is to take advantage of EU funding available for pilot projects on legal migration and design small-scale and time-limited pilot projects in sectors that face shortages and for which migration pathways into the Netherlands exist can be adapted. This would allow a non-committal testing of models that can help inform reforms later on.

Linking Labour Market Analysis, Employers' Needs and Migration Policies

Employers' federations suggest a long-term strategic labour migration policy based on analysis and forecasts of shortages in sectors rather than the current process of lengthy procedures for individual vacancies. The Dutch public employment service UWV provides periodic forecasts on shortages in economic sectors in the Netherlands. Such forecasts and analysis could be more strongly linked to migration policies. A specific advisory committee providing recommendations on how to adjust labour migration policies and opportunities based on labour market needs could help to depoliticise the system of labour migration and has been suggested by the ACVZ. However, it is still a political decision how much weight such a body would have over policymaking.⁷⁵ Such a body would also need to be able to quickly (e.g. on a quarterly basis) re-evaluate quotas, job descriptions and help to adjust migration policy for it to be effective.

Knowledge and Capacity Support

The Dutch Government is currently exploring possibilities for circular labour migration schemes, specifically with North African countries as part of broader migration cooperation, as noted above. A key aspect is to learn from others' experiences in this regard. Interviewees noted that Germany's experience with skills and mobility partnerships, e.g. in the health sector, and its experimentation with flexible procedures at the vocational skills level are interesting for Dutch policy-makers to learn from. Interviewees also mentioned that better comparable and up to date statistics and data on labour migration and the contribution of migrants to the economy of EU member states could be

⁷⁵ Interview, MinJustice, February 2022.

useful. Such exchanges and capacity building could also be organised in the framework of EU Talent Partnerships, which allows for the potential to explore opportunities and experiment, including joining up with and learning from other countries' experiences.

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