

## Summary

### **Wanted: foreign top talent Evaluation of the Orientation Year Highly Educated Persons**

#### **Background and aim of the research**

The Dutch government has implemented various measures with the goal of becoming a dynamic knowledge-intensive economy and to build a strong position in the international battle for brains. The Orientation Year for Highly Educated Persons is one of these measures (in effect as from January 1, 2009). The initial goal of the scheme was to attract top talents from countries outside the European Union (so-called 'third countries') and to keep them in the Netherlands. The Dutch government aimed to attract 500 top talents within the first two years of the implementation.

Participants in the Orientation Year for Highly Educated Persons receive a residence permit –for one year maximum – to look for a job as a highly skilled migrant or to start an innovative business in the Netherlands as a self-employed person. The scheme differs from the Highly Skilled Migrants Scheme under which only migrants who already have an employment contract with an employer in the Netherlands are admitted. The target group of the Orientation Year for Highly Educated Persons consists of highly educated persons who hold a Master's degree or PhD from 1) one of the top 200-universities in the world<sup>87</sup> or 2) an accredited Dutch educational institution. Regarding the latter group, the scheme originally targeted highly educated persons who left the Netherlands after receiving their degree, but who would like to return to the country within three years. Third-country nationals who successfully complete their study in the Netherlands with a Bachelor's or Master's degree could already make use of another regulation: the Orientation Year for Graduates in the Netherlands.

The aims of the current research are:

- to present the numbers and background characteristics of the participants in the Orientation Year for Highly Educated Persons;
- to describe the position of the participants in the Dutch job market;
- to gain insight into the reasons why highly educated persons choose (or do not choose) for the Netherlands;
- to take stock of the experiences of different parties involved in the scheme;
- to explore the participants' intentions regarding their future stay in the Netherlands.

The study uses several methods and sources: the results are based on registration data of the Immigration and Naturalisation Service (IND); a web survey among 100 participants in the Orientation Year for Highly Educated Persons; interviews with 16 respondents of the web survey and some key persons and an expert meeting.

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<sup>87</sup> According to the Times Higher Education World Rankings, the QS World University Ranking, or the Academic Ranking of World Universities of the Shanghai University.

## Results

### Numbers and background characteristics of the participants

From 2009 to 2012, 462 highly educated third-country nationals received a residence permit based on the Orientation Year for Highly Educated Persons. This means that the initial ambition regarding the number of highly educated persons to be attracted to the Netherlands in the first two years was not fulfilled even after four years. Although the number increased over the years, the number of residence permits granted under this scheme is much lower than those granted under the Highly Skilled Migrants Scheme and the Orientation Year for Graduates in the Netherlands.<sup>88</sup>

Third country nationals who made use of the Orientation Year for Highly Educated Persons during the above mentioned period comprised a variety of nationalities; the top five being of Chinese, Indian, Iranian, Turkish and American nationality. Almost as many males as females participated, and most are between 25 and 34 years old.

Contrary to expectations, an overwhelming majority of the participants in the scheme were already living in the Netherlands before participating (on average for five years); these consisted of foreigners who had received a Master's degree or PhD in the Netherlands. This finding shows that the policy goal to attract top talents from third countries is achieved to only a limited extent. Most participants who lived abroad before participating in the scheme already had ties with the Netherlands (e.g. the presence of a partner, previous stay in the Netherlands due to professional reasons or as a tourist). The majority of the participants have a Master's degree or a PhD, mostly in the exact sciences (especially in engineering, manufacturing and construction, mathematics, statistics and computing).

### Position of the participants in the Dutch job market

The majority of the participants (who were still in the Netherlands when the research was being conducted) managed to find a job during the orientation year. Upon completion of their orientation year, about half of the participants continued their stay in the Netherlands as a highly skilled migrant (others obtained a permanent residence permit or a residence permit due to living with partner or could stay in the Netherlands on other admission grounds).

A vast majority of the participants with a job are employed in the private sector, especially by multinationals or Dutch firms/organisations. The participants work in different sectors, but relatively frequently in the area of physical and technological science. An important percentage of the participants with a job say that their current function fits their educational level.

To be eligible for a residence permit in the Netherlands on the grounds of being a highly skilled migrant, participants in the Orientation Year for Highly Educated Persons need to earn a certain amount of gross annual salary. This amount is lower than for participants in the Highly Skilled Migrants Scheme. Participants that earn less than this minimum amount need to acquire a work permit. The majority of the participants were employed at the time of the research and an overwhelming majority earned a salary which is equal to or higher than this required minimum. The number of participants who start their own business in the Netherlands at the end of the orientation year is negligible.

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<sup>88</sup> From 2008 to 2011, 23,390 and 2,400 respectively.

## **Choice for the Netherlands and the Orientation Year for Highly Educated Persons**

Participants in the Orientation Year for Highly Educated Persons come to the Netherlands mainly for professional reasons. For those who were already living in the Netherlands before participating in the scheme, study is also a reason; for participants who were living abroad, social ties (especially the presence of a partner) play a role as well. One of every two top talents in the Netherlands initially considered migrating to another country instead of the Netherlands; the United States, Australia, Germany, Canada and the United Kingdom are the top five competitors in this respect. Different factors play a role in the eventual decision to choose for the Netherlands, such as the expectation that finding a job will be easier, the international character of the Dutch scientific world, open-mindedness of the Dutch, a better economic situation, distance to the country of birth, a less strict admission policy, a better living environment, and the expectation that one can get around more easily in English compared to other non-English speaking countries.

According to indirect information<sup>89</sup>, similar factors play a role in the decision of the highly educated to opt for another country instead of the Netherlands: professional reasons (especially, a better chance of finding a – permanent – job that matches one's professional skills/better opportunities for professional development), social-cultural reasons (especially the language barrier), economic/financial reasons (especially working environment/a higher salary), and various reasons related to the admission and aliens policy (e.g. strict requirements for naturalisation and family reunion, 'unfriendly' admission policy, requirement of a work permit as a barrier to accessing the Dutch job market, higher fees). These findings suggest that these are reasons which are generally important for the highly educated when looking for a job internationally, while the personal situation and the individual possibilities determine the perception of and final choice for the destination country.

Participants in the Orientation Year for Highly Educated Persons relatively often report the following reasons for participating in the scheme: 1) having finished the study/the wish to stay in the Netherlands (named by those who were already living in the Netherlands before participating in the scheme) and 2) having a residence permit based on the Orientation Year for Highly Educated Persons as an alternative to another desired residence permit which demands the fulfilment of stricter admission requirements (e.g. a residence permit based on Highly Skilled Migrants Scheme or stay with the partner) (named by participants who were already living in the Netherlands as well as those who moved to the Netherlands to participate in the scheme).

## **Experiences of the participants and other parties**

### **Satisfaction with the Orientation Year for Highly Educated Persons**

A large majority of the participants are satisfied with the scheme. That the scheme is a means for them to stay in the Netherlands or in Europe, being able to contribute to the Dutch knowledge economy, and the possibility to acquire European/international work experience are among the reasons given for their satisfaction. On the other hand, they point out the problems they experienced during the admission

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<sup>89</sup> The respondents to the web survey were asked whether they knew other highly educated people in their close social networks who had immigrated to another country with the aim of finding a job or starting their own business, but who had also considered the Netherlands as a possible destination country. This resulted in information about 33 highly educated people who ultimately did *not* choose for the Netherlands.

procedure (see below) and the limited rights they have during the orientation year as main reasons for dissatisfaction with the scheme.

### **Sources of information**

About half of the participants were informed about the existence of the Orientation Year for Highly Educated Persons through the IND. Also their social networks and former participants in the scheme served as a source of information.

### **Search methods**

The – limited number of – participants who were living abroad before participating in the scheme looked for international job opportunities mainly through formal methods (e.g. advertisements on different websites). Once in the Netherlands, they utilise their social networks to find a job during the orientation year, in addition to formal methods.

### **Bottlenecks**

Even though the majority of the participants are satisfied with the scheme, they experience various bottlenecks during the admission procedure, the orientation year, and in the implementation of the scheme:

- More than one in three experienced problems during the admission procedure (e.g. in finding relevant information on the website of the IND, getting an initial visa and the residence permit that follows). A lack of familiarity with the Orientation Year for Highly Educated Persons among different parties (employees of the IND, consulates/embassies and employees of recruiting agencies/employment bureaus) also play a role, even in the recent years of the implementation. Some participants encountered problems due to limited cooperation between the IND and the consulates/embassies, high fees, a long decision-making procedure, and requirements relating to documents needed for the application.
- About half of the participants experienced problems during the orientation year. Frequently cited problems are rejection for a job they found because, according to the potential employer, their command of the Dutch language was not good enough; problems in finding a job that suits their expertise; and the work permit requirement. However, in the recent years of the implementation of the scheme there is a decline in the percentage of participants who experience such problems.
- There are indications that the international promotion of the Netherlands as a knowledge economy is insufficiently visible; in addition, the majority of the participants in the Dutch Orientation Year for Highly Educated Persons think that this scheme is unknown in other countries.
- There are several indications that employers are insufficiently familiar with the Orientation Year for Highly Educated Persons. Not all employers are aware that there are similar but different schemes for the highly educated, and that a lower income criteria applies for participants in the Orientation Year for Highly Educated Persons than for participants in the Highly Skilled Migrants Scheme. Some employers as well as some participants mistakenly think that the minimum salary requirement under the Orientation Year for Highly Educated Persons is equal to that of the Highly Skilled Migrants Scheme, and that it is also age-dependent as it is under the latter scheme. This unfamiliarity in a way creates a 'false bottleneck'.
- Some employers are unwilling to apply for a work permit for the participants. Unfamiliarity with the scheme, bureaucracy and the costs involved scare them off.
- It is questionable whether the search methods used by the employers and by the international top talents adequately connect to each other. While the participants in the Orientation Year for Highly Educated Persons search for jobs in the Nether-

lands, there are indications that large companies tend to recruit highly educated people with specific skills in other countries, e.g. through focused branding activities in those countries and by utilising their specific international social networks. Furthermore, some large companies opt for quick information exchange through short term employment contracts, while participants in the Orientation Year for Highly Educated Persons – who are in the Netherlands – look for a job with the aim to stay in the Netherlands longer.

### **Satisfaction with life in the Netherlands and intentions regarding future stay in the Netherlands**

The majority of the participants in the Orientation Year for Highly Educated Persons are satisfied with different aspects of life in the Netherlands. Working and living conditions and the Dutch culture are the most frequently named reasons. The most frequently mentioned reasons for dissatisfaction with life in the Netherlands are the lack of job opportunities as a non-native speaker, the lack of opportunities in the Dutch job market/for professional development in general and the public attitude towards foreigners.

The results indicate that attracting highly educated people from third countries within the context of the Orientation Year for Highly Educated Persons does not necessarily mean that the Dutch government will also succeed in keeping them in the Netherlands. While about half of these top talents intend to stay in the Netherlands in the future, about one in every three participants is not sure about his/her future stay in the Netherlands. More than 10% of the participants are planning to leave the country. The expectation that their chances of attaining their 'comfort' related goals (e.g. a nice working and living environment) are higher in the Netherlands than in the country of birth is the most important factor in their intention to stay in the Netherlands.

### **Unexpected results**

The limited rights of the participants in the Orientation Year for Highly Educated Persons to perform work during the orientation year while looking for a 'real' job as a highly skilled migrant, are a reason for some participants to perform 'irregular' work to finance their stay in the Netherlands during this year. In addition, there are indications that the requirement for obtaining a work permit – if one will earn an annual salary under a certain minimum – and the difficulty of finding a job in the Netherlands during the orientation year can lead top talents to 'escape' to other countries with knowledge economies. A number of participants were looking for a job in other EU-countries and/or other parts of the world, at the time of the study.

According to the experts who participated in the expert meeting or were interviewed, there are no indications that participants make improper use of the Orientation Year for Highly Educated Persons.

### **Concluding remarks**

Since the implementation of the Orientation Year for Highly Educated Persons, the Dutch government's goal of attracting top talents from third countries has been achieved to only a limited extent; the number of participants is limited. Yet in spite

of bottlenecks, both the participants and other parties are positive about the scheme. The majority of the participants – who were still in the Netherlands at the time of the study – eventually found a job as a highly skilled migrant. The scheme is considered to be a good addition to other schemes aimed at attracting highly skilled migrants from third countries.