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Labour market intermediation in the Netherlands:

A different picture for low
skilled and high skilled
immigrants



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Agenda

- Groups of immigrants
- Formal and informal intermediation
- Mala fide intermediation
- Size of intermediation in the Netherlands
- The role of unions
- Future developments – prospects and requirements for immigration to the Netherlands
- Conclusion





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Groups of immigrants





Groups of immigrants - origin

- Low skilled – CEE countries, Mediterranean countries
- Medium skilled (craftsmen) – CEE countries, surrounding countries
- High skilled – CEE countries, surrounding countries, Asia.





Groups of immigrants - sector

- Low skilled – agriculture, horticulture, construction, cleaning
- Medium skilled – construction, engineering, industry
- High skilled – science, research, university (PhD), management





Groups of immigrants – host region

- Low skilled – agricultural regions and large cities (Rotterdam, The Hague)
- Medium skilled – large cities (Rotterdam)
- High skilled – High tech regions and financial centres.





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Formal and informal intermediation





Formal and informal intermediation

- Formal intermediation for low skilled
 - ◆ General and specialized temp agencies
 - ◆ Mala fide agencies (CEE, Bulgaria)

- Formal intermediation for medium skilled
 - ◆ CWI, Eures
 - ◆ Temp agencies, mostly specialized
 - ◆ Self employed (ZZP)
 - ◆ Mala fide agencies

- Formal intermediation for high skilled
 - ◆ Recruitment agencies eg. Undutchables
 - ◆ Internet, academictransfer.nl





Formal and informal intermediation

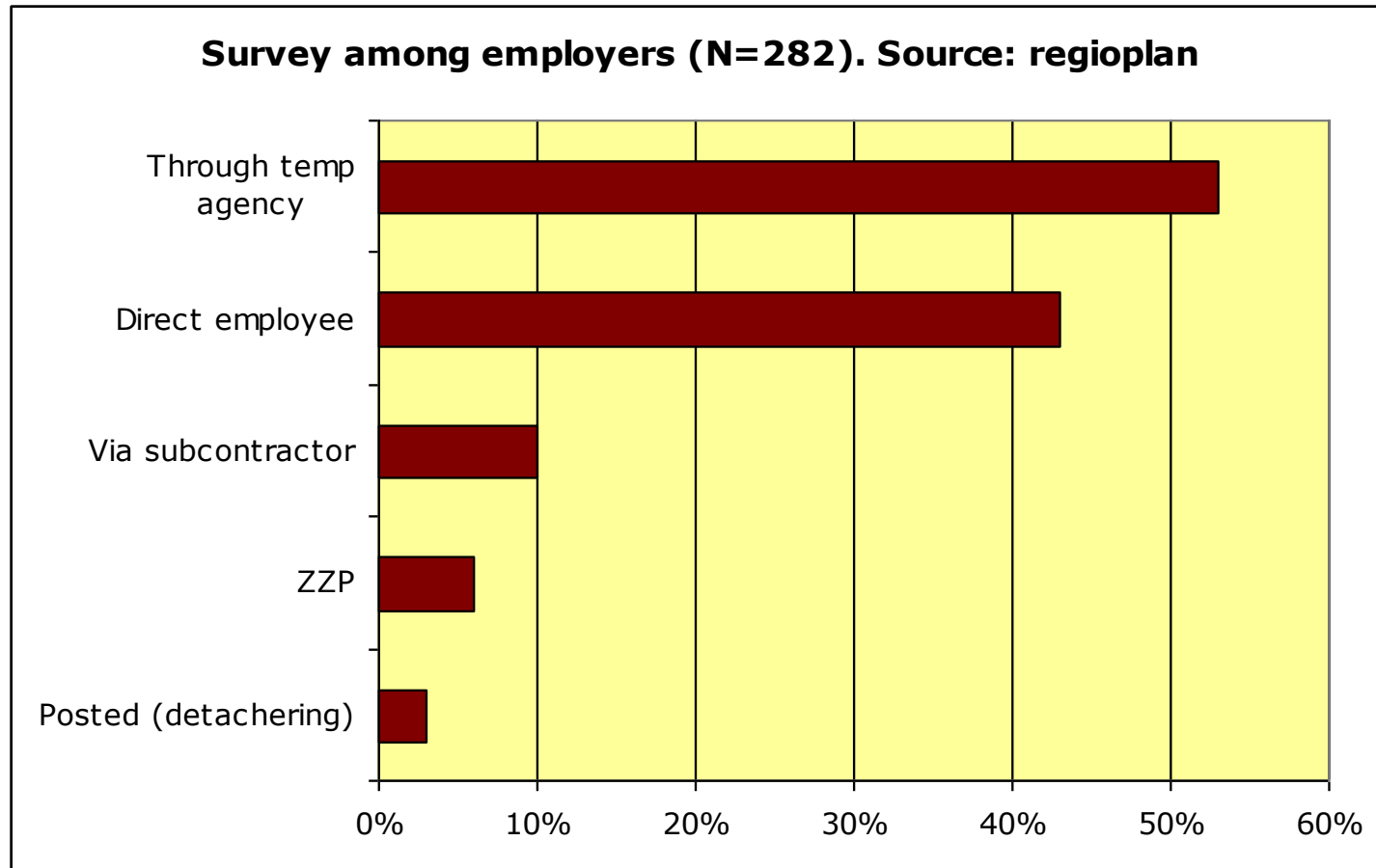
- Informal intermediation for low skilled
 - ◆ Family networks (Turkish Bulgarians, Chinese restaurants)
 - ◆ Mala fide intermediation (Bulgarians)

- Informal intermediation for high skilled
 - ◆ colleagues, academics, acquaintances,
 - ◆ internet





Employing CEE labour migrants in the Netherlands





Formal and informal intermediation

- Mala fide intermediation can both be formal and informal.
 - ◆ It depends on the level of organisation.
 - ◆ In the case of Bulgarians, the intermediation is directly linked with the family or ethnic network
- High skilled use informal channels very often.
 - ◆ Professional networks cross borders easily, especially for academics.
- The status of the internet and its applications is unclear: LinkedIn, information search etc.





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Mala fide intermediation





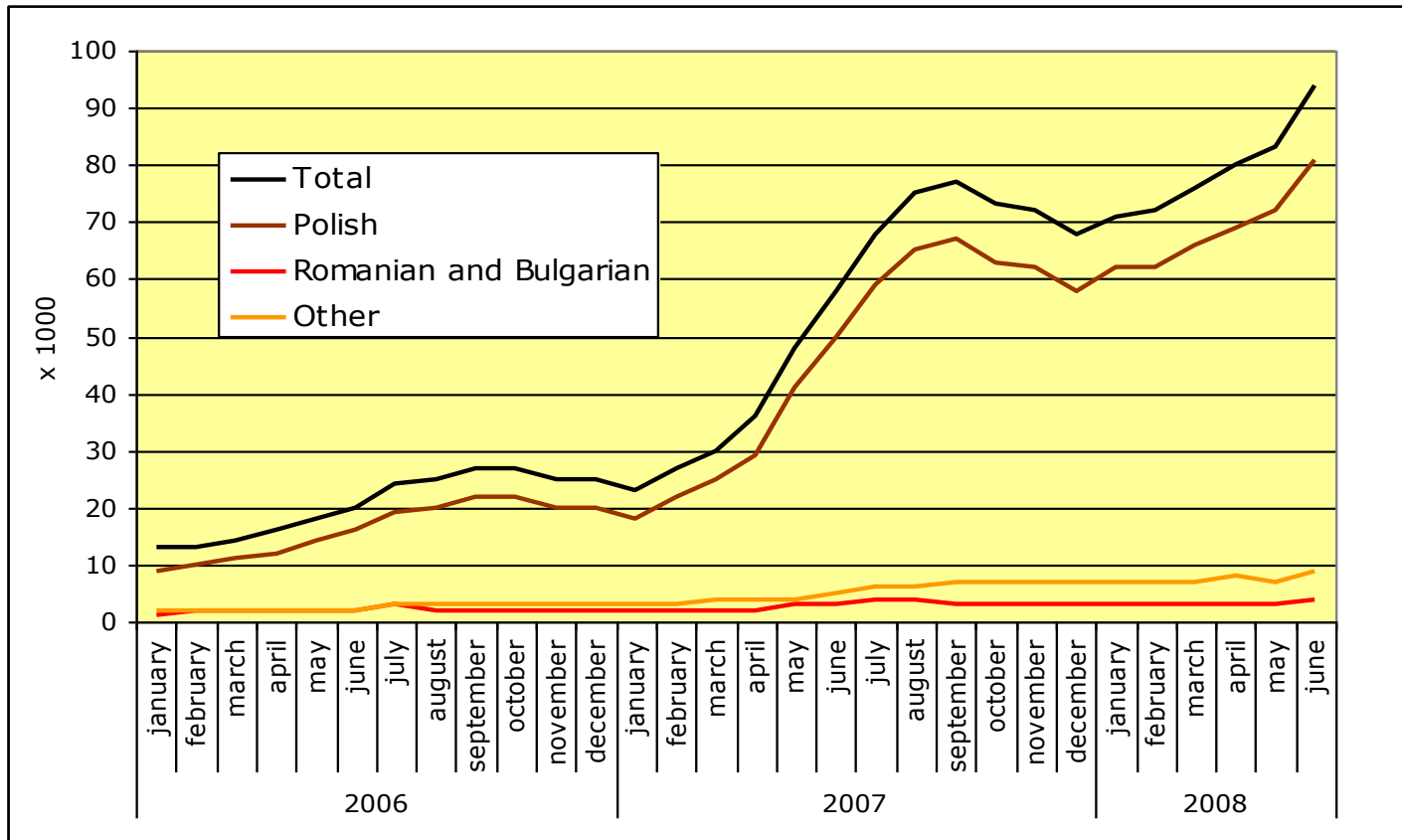
Mala fide intermediation

- Applies to low skilled, some medium skilled
- Strong link to illegal employment
- Strong link to workers from CEE countries
- Approximately half of CEE intermediation is done by mala fide practices
 - ◆ =100.000 per year
 - ◆ =10-15% per year of total placements yearly by temp agencies





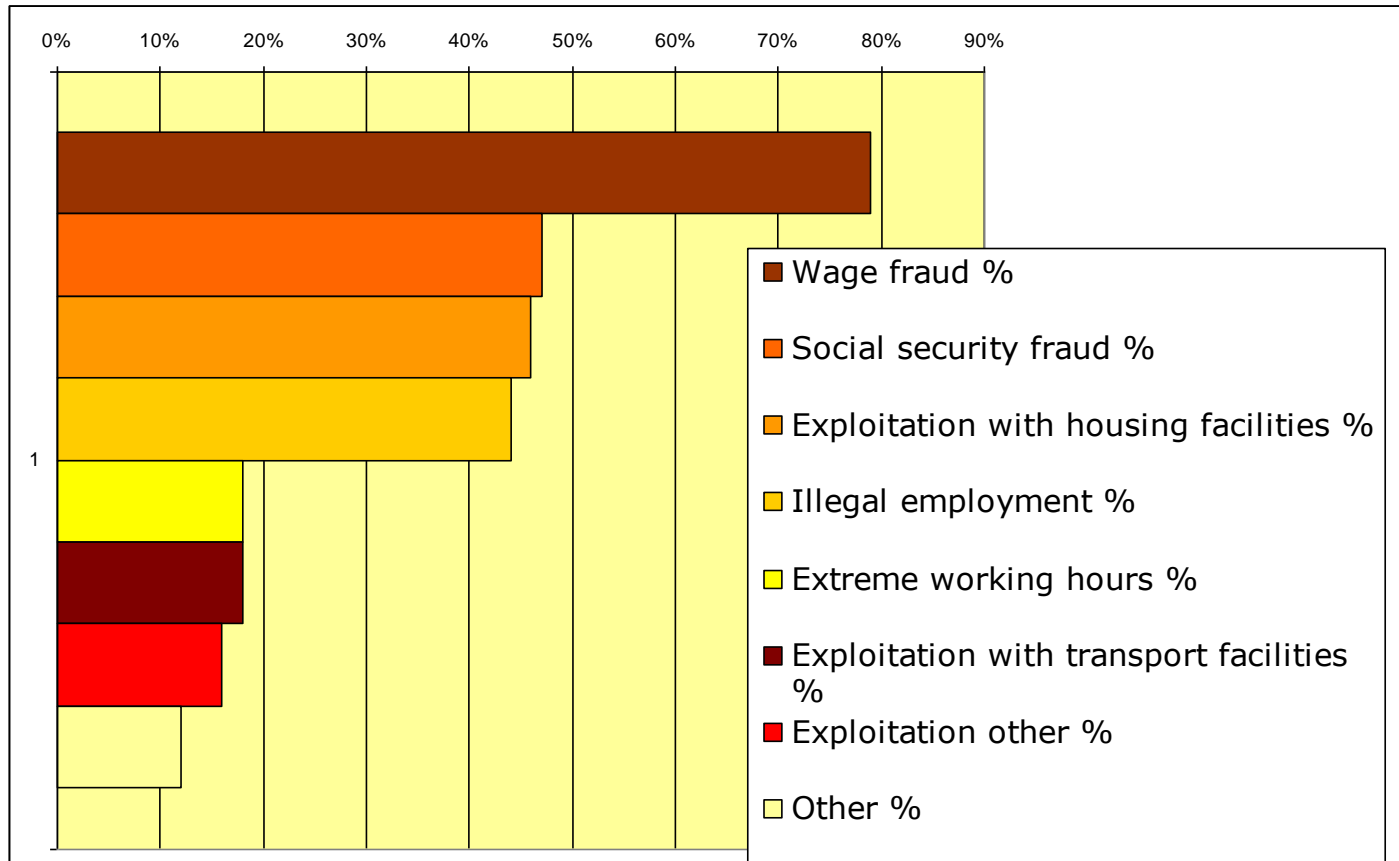
Employees from CEE member states in NL based on wage registration. Source: CBS





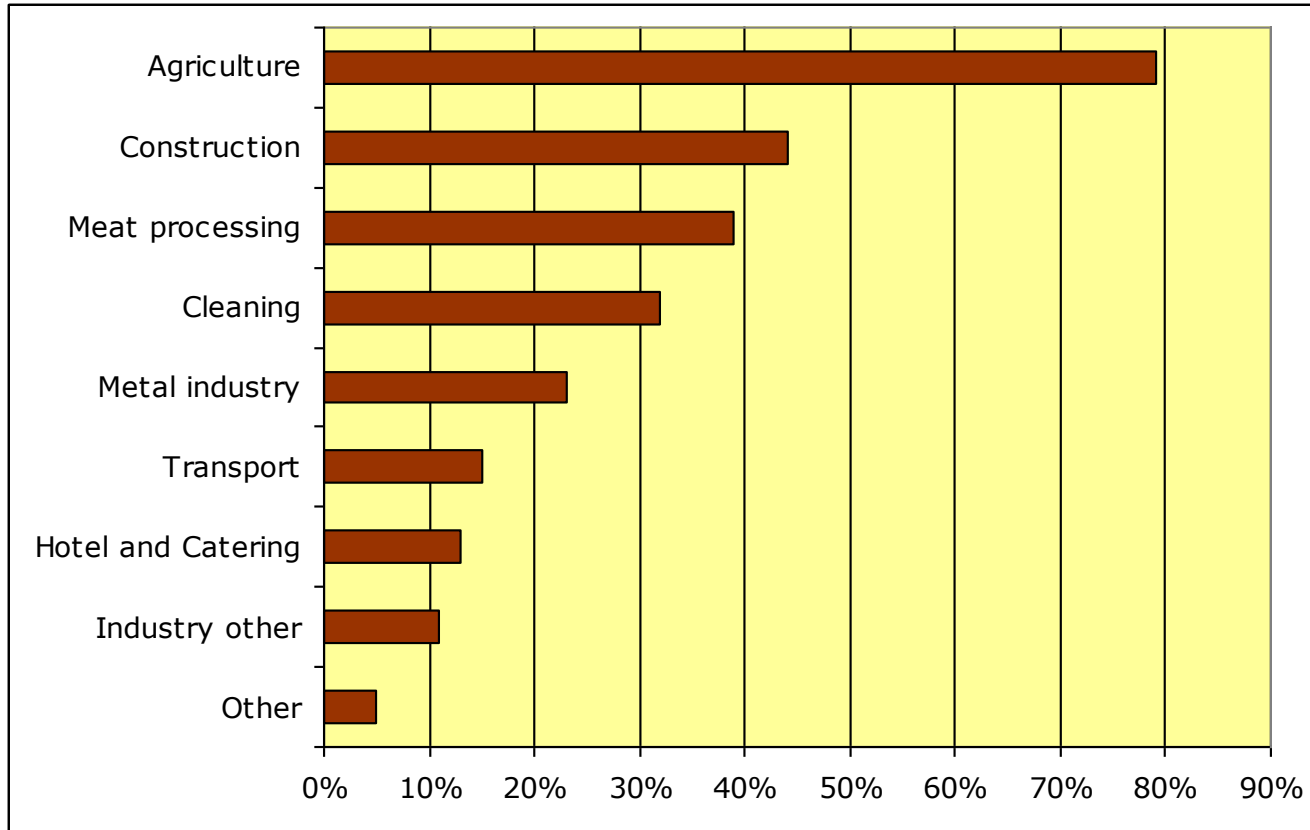
Survey among bona fide temping agencies: What type of illegal activity

by mala fide agencies is most common?





Survey among bona fide temping agencies: In what sector is mala fide intermediation most common (max 3)?





Mala fide intermediation

- Different sorts of **intermediaries**. Some highly organised, some only have a cell phone.
- Different sorts of **illegal activities**. From outright exploitation to tampering with social security forms.
- Politically sensitive subject





Mala fide intermediation

- Government, branches and trade unions try to eradicate mala fide intermediation
- Relative size of mala fide intermediation goes down ($2/3 \rightarrow 1/2$)
- Bona fide temp agencies are winning market share at the cost of the mala fide agencies





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Size of intermediation in the Netherlands





Size of intermediation in the Netherlands

- 1.2 million total for temp agency sector
- Working population of 7.6 million
- 0.2 million CEE-migrant workers. (flow)
 - ◆ 1/2 legal, 1/2 mala fide
- 6,500 high skilled per year (kennismigrantenregeling)
- Inconclusive about total size of high skilled and PhD's
- Inconclusive about share of high skilled via intermediaries





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Role of unions





Role of unions

- Limited to low and medium skilled workers
- SNCU (foundation for the compliance with the collective agreement for temp workers)
- Combined window for complaints (with temp agency-umbrella organisation)
- Organising job fairs
- On site information and counseling
- Litigate against temp agency or employers





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Future developments – prospects and requirements for immigration to the Netherlands





Future developments – prospects for future immigration of workers

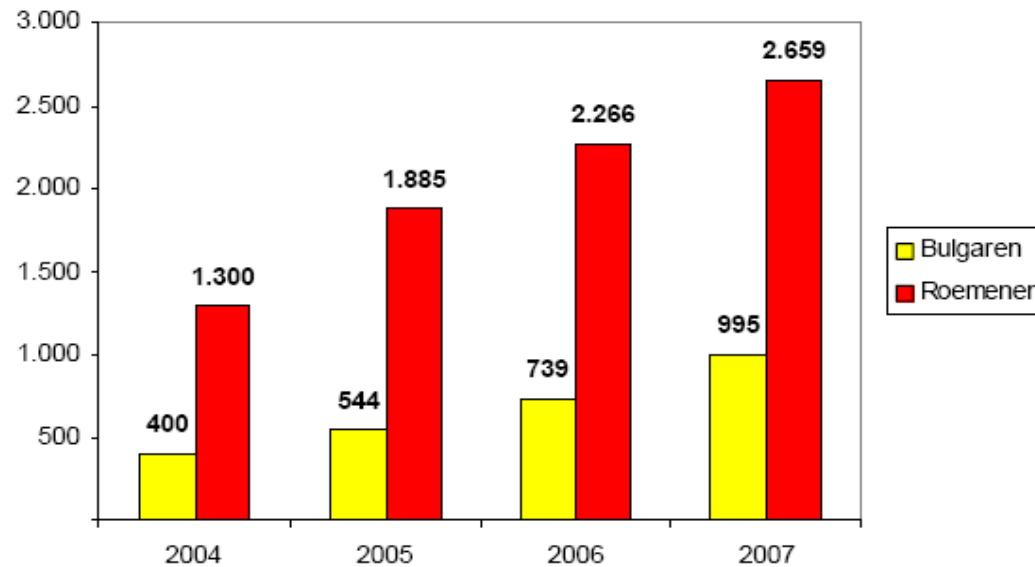
Low skilled workers

- Decline or declining growth of new low skilled migrants
- Real wage increases
- No large influx of Bulgarians or Romanians after lifting of working permit
- Housing
- Remigration to origin country





Bulgarian and Romanian influx – work permits



Bron: CWI





Future developments – requirements for future immigration of workers

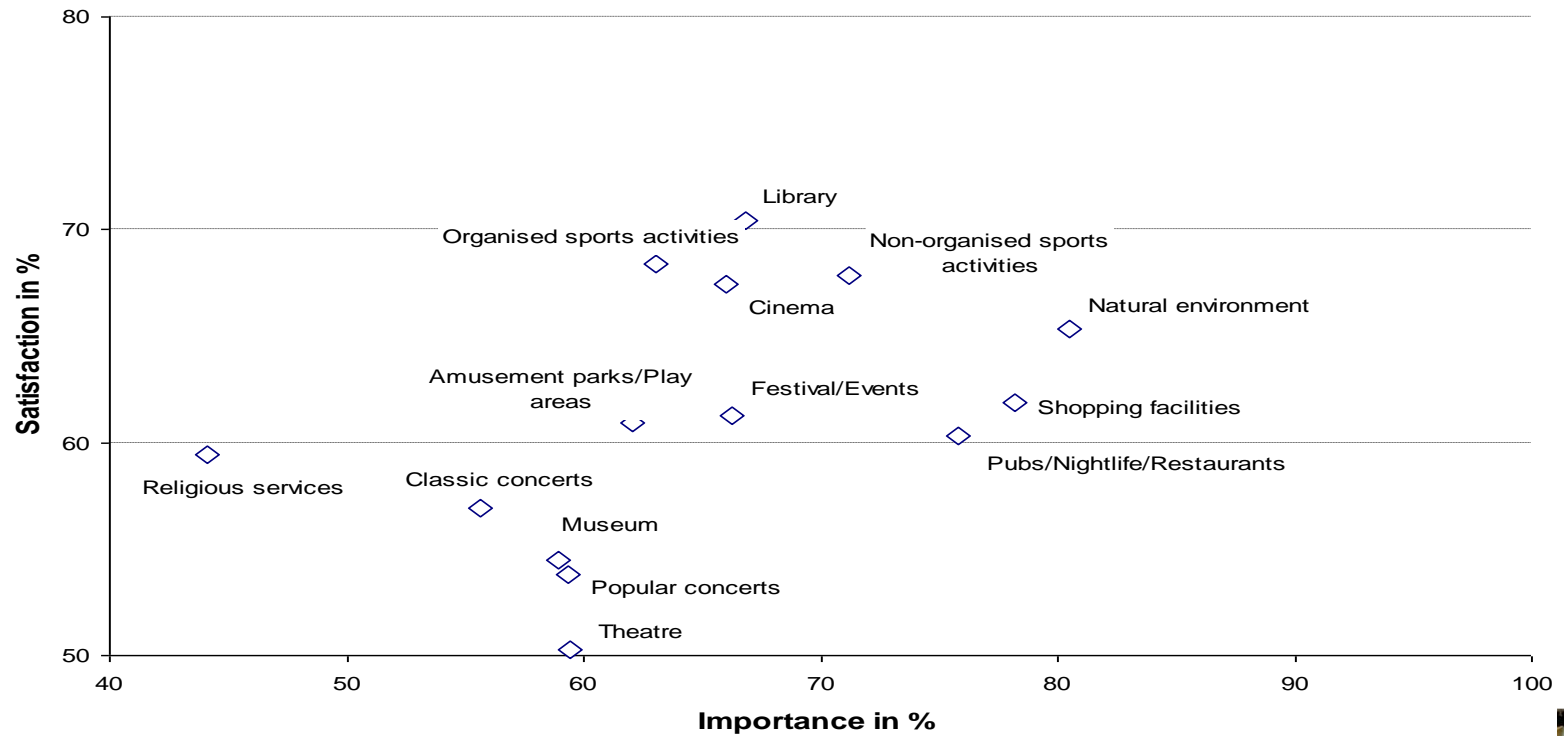
High skilled workers

- Immigration procedures (work permit)
- Wages
- Academic climate
- Cultural facilities, schools, employment for spouse.
- Housing





Matrix for cultural facilities in Eindhoven Region





Immigration procedures

- EU or non-EU
- Work permit
- Priority: knowledge worker
- IND, single window function
- Lengthy procedure





Conclusion

- Agriculture and other sectors are dependent on low skilled CEE-immigrants (Poles)
- No other groups will surface: retention of CEE workers
- Bona fide temp agencies are winning market share at the cost of mala fide agencies
- Influx of high skilled workers increases
- Administrative procedures for admission of non-EU workers take too long

