THE DUTCH EMPLOYMENT MARKET

The Netherlands is known for its tulips and windmills but is far more diverse and pluralistic than one might expect. It offers international job seekers endless possibilities and has plenty to offer foreign students as well. Despite the lingering worldwide economic crisis, the country still has a relatively low unemployment rate, and is a comparatively large economic player, with its two international mainports and its longstanding tradition as a nation of trade. It also has a strong educational system and great internship arrangements. Below you will find information on the labor market of this small country with its international and impressively diverse job market.

THE DUTCH WORKFORCE

The Dutch unemployment rate is one of the lowest in the EU and is considered moderately low on a worldwide scale, which is quite remarkable given the recent worldwide economic downturn and its effect on the Dutch market, which historically relies on international trade. In 2012, the unemployment rate hovered around 6.5%, but in 2013 started to go up and continued to climb to 8.8% in February 2014. Although at the moment not many sectors are looking to fill vacancies, there are still opportunities in some sectors for those wishing to find a job in this country, which we can see further on in this chapter.

Part-time employment in the Netherlands is rather high; 68% of the women work part-time, as do 17% of the men. 75% of Dutch women work fewer than 35 hours a week. Most people work directly for an employer, though a considerable and growing number are self-employed; according to the Dutch Bureau of Statistics CBS, approximately 10% of the labor force works in self-employment (referred to as Zelfstandige Zonder Personeel, or ZZP-ers). In comparison to other European countries, this level of self-employment is quite high, particularly among younger people. The development of self-employment remains hard to predict, however, and is always prone to fluctuation, though – at least for the Dutch market – it appears to be here to stay. Currently, around 40% of people between the ages of 18 and 27 are working under a flexible contract. If you compare this to those age 28 and older, where approximately 10% has a flexible work contract, this would appear to either be pointing towards a trend among the younger work population to focus more on a life/work balance or else simply towards a streamlining of business in order to cope with the financial crisis.

The education level of those working in the Netherlands has been rising steadily over the last decade: one in every three high school graduates continues their education at a research university or a university of applied sciences (you can read more about the distinction between these two in chapter 8). Though traditionally the Netherlands was a country where employees worked for the same employer their whole life, this changed dramatically during the ‘90s when, due to, the excellent economy, the age of job-hopping also arrived here. Then, in 2005, the ‘war for talent’ gradually took hold of the job market; particularly for new entrants, the job market had an abundant supply of jobs. This development has come to a halt with the economic crisis and recruiters are able to do their job again; selecting between several candidates, as the competition for jobs has increased considerably. The dampening effect of the continuing global financial crisis is causing companies to apply a restrictive and careful hiring strategy in comparison to the past two to three years, but the role of the temporary work agency has certainly been bolstered by the number of job-seekers looking for employment wherever possible.

SECTORS

In terms of number of jobs, the commercial services sector remains the strongest in the Netherlands, and has been for several years, though we can see an increase in jobs available in the trade, transport, hospitality, restaurants, health care & welfare, and finance sectors. The number of vacancies remained relatively stable over 2012 and 2013 (though fewer than in 2011) and some analysts say that that the trade sector may show improvement over the coming years. Currently, science & engineering is the only sector showing a constant and steadily increasing need for international and capable workers in areas such as water management, green and renewable energy, as well as logistics.

EMANCIPATION?

The Netherlands is viewed by those abroad as an ‘emancipated’ country, where women share an equal standing with men. To a large degree this is true; in fact, many expats comment on how the Dutch women are the ones ‘who wear the pants at home’ – to use a Dutch expression. However, the workforce does not reflect this emancipation, particularly not in the full-time and/or highest paid job sectors. The cause for this can presumably be found in the fact that, aside from there being relatively little government support for child care, Dutch social values dictate that women spend more time with their children. Although Dutch society is egalitarian by nature, on average the more traditional role definition still holds true; men work full-time, women part-time, and the women play a greater part in the raising of the children. This having been said, in reality the percentage of households in which the man is the sole earner and the woman does not work at all is only 20%. One could argue that it is the ‘glass ceiling’ that keeps the women in the Dutch labor market from progressing up the
HOLLAND IN YOUR HANDS

The Holland Guide
Your complete guide to living in the Netherlands on your iPad

More than 400 pages of essential reading, hundreds of stunning photos and almost a thousand useful references and various interactive features.

THE HOLLAND GUIDE
by the makers of The Holland Handbook

Available on the iPad App Store
career ladder, yet, the ‘sticky floor’ may be of importance here too.

Expat women are often greatly surprised at this huge inequality and are quite dismayed at how few women are in top positions — nonetheless, the number of women in employment increased from 52% in 1997 to 63% in 2012 and is currently heading towards 70%. The aim of the Dutch government was to have 65% of the women working at least 12 hours a week by 2010. This target was not met, however, though the numbers have clearly continued to rise while this issue remains on the political agenda.

As yet, as mentioned earlier, most women are in part-time positions, with around three-quarters of the women of working age working part-time, and only 19% of employed mothers working over 35 hours a week. Less than 10% of the women in the Netherlands work full-time, as a consequence of which few of them are in the business’s top echelons or among the top earners. Perhaps crucially, an increasing number of young women receive temporary or flexible contracts compared to their male peers. Whether this is through choice, other factors, or a combination of those or other issues is hard to determine. Yet, lately, there has been a steady increase among the number of women on management boards; the Dutch Women’s Board Index shows that 74 women (among a total of 711 people) can be found on management boards, which is 10.4% of the number of board members in the Supervisory or Executive Boards studied. The percentage of women in Boards of Directors has actually gone up from 13.7 to 18%, whereby four companies have reached the European quota of 40%. Moreover, a temporary law (yet to be enacted) requires companies to have no less than 30% women on their executive and supervisory boards by 2016. Notably, women are far better represented in the non-profit sector than they are in the business sector, which has been to their advantage, as the number of jobs available in health care, education and the public public sector, though feeling the pinch at the moment, are likely to keep growing over the years to come.

All in all, it can be said that Dutch women – reflective of the country’s overall population average — generally enjoy a high standard of living and material satisfaction. As well as highlighting the very equitable distribution of wealth found in the Netherlands, this points to the general acknowledgement that these women – with their flexible attitude towards work – are an integral part of the country’s solid financial structure.

DUTCH EMPLOYMENT LAW
As many of you will not have moved to the Netherlands on an expat contract governed by your home country laws, the rules that apply to those employed directly by a Dutch employer can be of great importance to you. Even expatriates, whose contract explicitly states that a foreign law applies to the employment relationship, will find that they are subject to mandatory rules of Dutch employment law and/or Dutch rules of public order by means of binding allocation rules of international private law. For this reason, we include an overview of the main issues contained in this law:

<table>
<thead>
<tr>
<th>Type of Contract</th>
<th>Maximum Duration of Probation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term contract</td>
<td>1 month (or relative to the duration of the contract)</td>
</tr>
<tr>
<td>Contract for less than 2 years</td>
<td>1 month</td>
</tr>
<tr>
<td>Contract for 2 years or more</td>
<td>2 months</td>
</tr>
<tr>
<td>Permanent contract</td>
<td>2 months</td>
</tr>
</tbody>
</table>

The probation period must always be confirmed in writing in the employment contract. During this probation period, employees can be dismissed or resign with immediate effect.

CHAIN CONTRACTS
An employment contract for a fixed period of time ends automatically by operation of law (van rechtswege) on the agreed end date. Starting July 1, 2014, you can have a maximum of two separate consecutive fixed-period contracts with one employer if the contracts in total do not exceed the two years permitted by law. Each contract will end by operation of law. If the intervals between contracts do not exceed three months, or the total duration of all contracts exceeds two years, then the last employment contract is deemed to be a contract for an indefinite period of time, even if it is explicitly stated that it is a fixed contract. This means that, should the employer wish to fire this employee, he will have to either ask permission from the UWV or have the court dissolve the contract (see more about this further on). Remember, however, that if you have had two contracts with the same employee, but together these do not exceed a period of two years, then there is no obligation to award you a fixed contract and that, if the period between two contracts exceeds three months, the ‘chain’ is broken and the counting starts again.

MINIMUM/MAXIMUM DURATION CONTRACT
If you work on call and you are not certain about the number of hours that you are working on a weekly or on a monthly basis, your employer can offer you a min/max contract (with a minimum as well as a maximum number of hours – do note that the minimum number of hours per call is three) or a ‘nul-uren contract’, which offers great flexibility, but does not have the minimum number of hours as a prerequisite.

TERMINATING AN EMPLOYMENT CONTRACT
The Netherlands has a unique dual system of dismissal. If an employer wishes to terminate an employment agreement for an indefinite period of time, there are two options. The first option is to obtain prior approval from the UWV, before serving the notice of termination. The purpose of this procedure is to avoid unreasonable or socially unjustifiable dismissals. Alternatively, an employer may at any time request the sub-district sector of the District Court to dissolve the employment contract. The request for the dissolution must be on the basis of serious cause, for instance theft or severe harassment.

Without the prior approval of the UWV or the dissolution of the District Court, the employment relationship – as a general rule — cannot be terminated unilaterally. It should be noted, though, that the employment can be terminated unilaterally or by mutual consent during the probation period, for urgent reasons (e.g. theft), or when the agreed fixed period of time has lapsed (see more on dismissal on page 60.)

When dismissing an employee, it is not important whether Dutch law or the law of another country applies. Even if the employment contract is governed by the national law of another country, the employee can still invoke the protection of the Dutch law, provided Dutch mandatory rules of employment law and/or rules of Dutch public order apply.
NOTICE PERIOD
When terminating an employment contract, an employer must apply the following notice periods (these do not apply when the employment contract is dissolved by the courts):

<table>
<thead>
<tr>
<th>Length of employment period</th>
<th>Notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 5 years</td>
<td>1 month</td>
</tr>
<tr>
<td>5 – 10 years</td>
<td>2 months</td>
</tr>
<tr>
<td>10 – 15 years</td>
<td>3 months</td>
</tr>
<tr>
<td>&gt; 15 years</td>
<td>4 months</td>
</tr>
</tbody>
</table>

The above notice periods only apply to contracts for an indefinite period of time. In the case of other contract forms, such as a contract of temporary employment (a so-called ‘temp’ contract), termination is/can be with immediate effect.

For an employee, the notice period is always one month, unless, either in the employment contract or in a separate written agreement, the employer and the employee agree upon a different notice period. Whereby it should be noted that any personally agreed-upon notice period for the employee is doubled for the employer (i.e. if an employee agrees to a two-month notice period at the beginning of their contract, the employer must agree to give four months’ termination notice to said employee). Collective agreements can provide for different (and even equal) notice periods to be observed.

SEVERANCE PAYMENT
There are no statutory rules on severance payments and the court judges the necessity for compensation in each individual case, based on the probably deliberately vague standard of ‘reasonableness’.

Severance payment can be granted either as a lump sum (known as a ‘golden handshake’), or as a periodically paid supplement to the unemployment benefit (for more on this benefit, see page 66) or lower wages in the next job. In the case of collective dismissals or highly paid individuals, the payment is usually in the form of a lump sum. At the end of 2013, a new regulation was passed that abolished the option of deferring taxation on a golden handshake. Starting January 1, 2014, the lump sum will be taxed, at a rate that will take into account the total amount earned during that year. There has been much upheaval about the severance payment of some highly paid senior managers, causing the Dutch government to rethink the dismissal process in the Netherlands. Nonetheless, no changes have been made as yet and a commission has been asked to advise on the issues at stake.

A few years ago, the courts introduced a calculation formula, known as the cantonal court formula (kantonrechtersformule), according to which the employee is awarded one, one-and-a-half or two months’ salary per year of employment, depending on his age. These past years, a number of changes have been introduced, making it possible to take into account the labor market perspective of the dismissed employee, the employee’s behavior, and the financial situation of employee and employer. Also, short-term contracts are better covered by the new model. As of July 1, 2015, new laws will govern dismissal procedures, and severance payments will be limited to a maximum of € 75,000. For more information, you can consult www.ontslag-krijgen.nl (‘being fired’).

WORKING THROUGH AN EMPLOYMENT AGENCY
The Netherlands, where the first temporary employment agencies started over 30 years ago, was one of the first countries where these agencies were also very successful. They still remain important players on the labor market, and currently the top agencies are: Randstad Nederland, Start People Netherlands, Unique Nederland, Luba Uitzendbureau, Tempo-Team and Adecco.

There are two main Temporary Workers unions; the ABU and NBBA. These unions are governed by their own collective labor agreement (CAO), in which various regulations are given on (but not limited to), such subjects as:

- statutory number of vacation days
- holiday allowance
- national holidays
- salary statement specifications
- working overtime
- illness/sick pay
- The ‘Phase system’ and ‘Chain system’.

Not all employment agencies have joined a Union for Temporary Workers, as membership is not obligatory. Nonetheless, as of September 17, 2005, all employment agencies must conform to the legally binding aspects of the ABU Collective Agreement for Temporary Employees 2009 – 2014 (to which slight changes were introduced in 2010). Only a few agencies are exempt from this CAO (e.g. those who are a member of the NBBA). For more specific information, see the English website of the ABU, www.abu.nl.

FOREIGN TEMPS
Back in September 2005, it was decided that all foreign temps working in the Netherlands ought to have a right to the same basic employment conditions as their Dutch colleagues. Though a collective employment agreement had been drawn up for these temps by the Association for International Employment Mediators (VIA), the then Minister of Social Affairs De Geus decided that it was not applicable as it made a distinction based on nationality and, on some points, was in conflict with European regulations. Instead, the minister decided that (some provisions of) the Collective Agreement for Temporary Employees (ABU Collective Agreement) applies to all employment agencies, thus also to (foreign) employment agencies that place employees on the Dutch labor market from abroad. Furthermore, nationals of the European Economic Area (EEA) can move to the Netherlands for work and enjoy the same conditions as Dutch nationals in areas such as access to housing, wages and social security – among others.

MULTILINGUAL JOBS
When looking for employment in the Netherlands whereby you can work in your native language, you can either register with various specialized employment agencies (a listing of these can be found at the end of this chapter) or you can apply directly with companies where the business language is your native language. The job market for foreign staff encompasses a wide spectrum of professions including, but not limited to: administration, secretarial, IT, finance, marketing, support staff, sales, logistics, middle and senior management, etc.

After the UK, Germany and France, most ‘multilingual’ jobs are to be found in international call and shared service centers located
in the Netherlands. There are over 150 multilingual call and shared service centers in the country, most of which are located in the Randstad region (the triangle between, and including, Utrecht, Rotterdam, The Hague, and Amsterdam). However, you will find more and more pan-European centers in Maastricht, Arnhem and other cities, particularly near the border. Within these organizations, English is usually the business language.

Most Dutch people speak more than one foreign language to some extent (usually the Dutch rate their own language skills a lot higher than they actually should!), thus the international centers and companies have a preference for native speakers. Please do read the paragraph on Protection Labor Market, further on.

**LANGUAGE**

It is still pretty common for foreigners to live and work in the Netherlands for years without having to learn the language, however, we cannot emphasize enough the importance of learning Dutch; this will not only be beneficial within the work place but also during your day-to-day endeavors in the Netherlands. Far too many foreigners make no effort to learn even the basics, but the Dutch always appreciate and respect those who make an effort to learn their language. Dutch is not the easiest language to learn, and it can be very difficult for those who live in the Randstad to find the opportunity to practice their Dutch language skills, as the helpful Dutch will almost invariably switch to English once they detect an accent. But, please persevere; the effort will pay off in the end, especially for those who plan on staying in the Netherlands for a longer period of time. The good thing about learning Dutch is that the Dutch do not have a problem with other people’s grammatical mistakes – they still get the point you are trying to make. Do ask them to correct you though; otherwise you will keep making the same mistakes!

**PROTECTION LABOR MARKET**

When applying for a work permit, beware of the stringent legal protection of the Dutch labor market, making it difficult for non-EU/EEA/Swiss nationals to receive such a permit (you can read more about this on page 108). If the job you are applying for meets the criteria for the so-called Highly Skilled Migrant Program, do note that the IND provides your prospective employer with a simplified application procedure, as the aim is to attract talent to the Netherlands and retain it here. Certain salary requirements apply – you can read more about this on page 108. For EU nationals

---

**UNDUTCHABLES:**

**FOR INTERNATIONAL BUSINESS JOBS**

Looking for international career opportunities in the Netherlands? Fluent in one or more languages other than Dutch? Seek international business experience or already have it? Whether you’re an enthusiastic starter or an experienced executive, we’ll match your talents with challenging jobs in the Netherlands. Grow your job search in international business today: [www.undutchables.nl](http://www.undutchables.nl)

(including, as of January 1 of this year, EU nationals from Romania and Bulgaria, but still excluding Croats) as well as EEA and Swiss nationals, freedom of movement applies, in keeping with the Freedom of Labor Act (Wet Arbeid Vreemdelingen, or WAV). This means that, when seeking to fill a job opening, employers in the Netherlands should not search only the Dutch labor market, but the entire EU/EEA labor market, before endeavoring to employ someone from outside this market. Being a native speaker of a particular language will no longer automatically qualify you, if the Dutch authorities are of the opinion that your prospective employer should be able to find a Dutch/EU/EEA/Swiss employee who can also speak your language.

Please also note that when faced with the choice, the employer, who will be the one applying for your work permit, might well choose an employee who does not need a work permit over you (if you do need one) – as the application process is an expensive and time-consuming one. This may seem unfair – yet is something you should realistically take into account. With any luck, the new regulations, aimed at simplifying and shortening this procedure, will succeed in leveling this aspect of the playing field.

**SALARIES**

In general, you may be surprised at the salaries in the Netherlands compared to those in your country of origin. Salaries are always commensurate with the general cost of living and pay parity is generally only reached at very senior management levels. However, you will find that, in fact, the net wages are comparable as most expenses and some allowances are tax-exempt.

Furthermore, a statutory holiday allowance (minimum of 8% of a gross annual salary), usually paid in the month of May, is awarded to each individual pro-rated to the number of months worked.

**(COMPULSORY) HEALTH INSURANCE**

All residents of the Netherlands working and paying taxes in the Netherlands must arrange private health care insurance (there is the option of participating in a collective insurance arranged by the employer). This form of private insurance is known as Zorgverzekering (or care insurance); for more information on insurances, see page 119.

**HOW TO FIND A JOB**

These last few years, the Dutch economy has been in a recession and though, since the end of 2013, it has been showing some signs of recovery, this is not necessarily the case for the employment market – even though the number of employees entering retirement (the ‘baby boomers’) is growing fast, in contrast to the number of new employees entering the labor market. This means, all in all, that the prognosis for the 2014 labor market is relatively stable. Notable, however, is the fact that not only the number of persons applying for the unemployment benefit has doubled over the past five years, so has the number of people cancelling the benefit. In short, there is a marked increase in, particularly, short-term unemployment benefit payments. This has to do not only with the economic crisis, but also with the number of particularly younger employees who take on ‘flex’-jobs.

Despite the possible language barrier, the Dutch employment market offers foreigners plenty of career opportunities. There is a growing demand for professionals and starting graduates in a limited number of industries and functional areas, such as: health care, engineering, technical positions, bilingual secretaries, legal and tax professionals, interim managers, education, science, and non-industrial positions.

It is for this reason that the Dutch government has introduced the concept of knowledge migrants – a tax measure created to make working here attractive for high-earning professionals recruited abroad, as well as highly educated graduates from abroad who are searching for a first employment position in the Netherlands. You can read more about this on page 109. Having said this, the following sectors are still struggling and not hiring many new employees: banking, real estate, the government, NGOs, non-profit organizations, the industrial and financial professions sector, and the chemical sector.

The unemployment rate, already more than 8.5% at the start of this year, is relatively high for the Netherlands. The length of the average job search is also rising and, generally speaking, it now takes more than five months to find a suitable job. So, expect a lot of competition from other candidates; it is not unusual for more than 200 candidates to apply for a specific vacancy!

Because the Dutch economy is very internationally oriented, the ability to speak English – fluently – is an important requirement when looking for a good job. However, this is primarily the case for commercial companies and less so for certain sectors, such as the health sector, non-profit organizations, NGOs, and governmental organizations. Remember also that it is not easy to find a part-time job of fewer than 30 hours a week.

**THE FIRST STEP**

There are four ways to find a job:

- through ads on the Internet (both on jobsites and on the websites of the employers) and in the printed press
- through employment and recruitment agencies
- by means of an open application
- by networking.

In principle, you should try all four and not limit yourself to one of these.

Furthermore, in the Netherlands, only half of the vacancies are published in the media/Internet or offered through agencies. This means that more than 50% of the vacancies are part of what we call the ‘hidden job market’, and are only visible to insiders. That is why it is very important that you approach employers directly (with an open application) and that you quickly start working on building your own network.

**JOBSITES**

The most relevant jobsites are:

- www.linkedin.com
- www.monsterboard.nl (in Dutch)
- www.intermediair.nl (in Dutch)
- www.stepstone.nl (in Dutch and English)
- www.expatica.com (in English)
- www.englishlanguagejobs.com (in English)
- www.togetherabroad.nl (in English)
- www.oneworld.nl (in Dutch)