

Working in the Netherlands

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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. At the beginning of 2015, the total labor force grew to approximately 8.9 million, with a 7.1% unemployment rate in February – a considerable improvement over an 8.8% rate a year earlier. Although at the moment not many sectors are looking to fill vacancies, there are still opportunities in commerce, health care and manufacturing 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; reports state that part-time employment constitutes nearly 40% of total Dutch labor force (2013). Accordingly, almost 31% of total job vacancies in 2014 were posted for part-time employment. Gender difference in employment participation is quite high; approximately 75% of Dutch women work fewer than 35 hours a week, while only 25% of Dutch males hold part-time positions (Eurostat, 2013). Most people work directly for an employer, though a considerable and growing number are self-employed; according to the Dutch Bureau of Statistics CBS, in 2014 more than 800,000 persons claimed self-employment (referred to as *Zelfstandige Zonder Personeel*, or *ZZP-ers*), which is nearly 10% of the labor force. Compared 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. The amount of flexible contracts also continues to grow, especially among young people. In 2013, 55% of the population between the ages of 15-24 held flexible employment contracts. If you compare this to those aged 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 9).

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 flourishing economy, the age of job-hopping arrived. This development has come to a severe halt with arrival of the economic crisis, as a consequence of which competition for jobs has increased considerably.

On the bright side though, the Dutch labor market seemed to have recuperated and the outlook for the employment sector in 2015 and onwards is rather positive. Figures from 2014 already show a decrease in the unemployment rate, while labor participation has gone up. Youth unemployment in the Netherlands has also gone down and is currently below EU average, signifying that more young professionals have been able to find employment after completing their education than their peers in other Member States. Overall, the number of job vacancies significantly increased across many sectors compared to previous years, which will be discussed in the next section.

SECTORS

In terms of number of jobs, the commercial services sector remains the strongest in the Netherlands, and has been for several years, closely followed by the health care and manufacturing industries. The number of vacancies remained relatively stable over 2012 and 2013, however we have observed an increase in jobs available in trade, transport, financial services and information technology sectors (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



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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. Based on a study conducted by the Central Bureau for Statistics, more women (especially with higher education) expect that their career opportunities will be negatively affected once they have children. 58% of working women without children said that they expect motherhood to harm their career. Men, interestingly, agree that becoming a parent has a more significant effect on women's career path compared to theirs. 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 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. Only approximately 20,000 full-time working mothers held management positions in 2014, compared to more than 130,000 full-time working fathers (CBS, 2015). 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, in 2014, 15% of all directors were female (99 women among a total of 757 directors). Among those women, the majority occupied non-executive managerial positions, which is 19.5% of the number of board members in the Supervisory or Executive Boards studied. The percentage of women in Boards of Directors has steadily increased from 10.4 in 2012 to 13.3% in 2013, whereby four companies have reached the European quota of 40% in 2014. 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 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:

PROBATION PERIOD

<i>Type of Contract</i>	<i>Maximum Duration of Probation</i>
Contract for less than 6 months	no probation period
Contract between 6 months and for 2 years	1 month
2-year or permanent contract	2 months

As of January 1, 2015, new legislation, the 'Wet Werk en Zekerheid', has entered into force. With regard to probation periods in short-term contracts, this new law includes some clear changes. For any temporary employment contract with a total duration of less than six months, it is prohibited to include a probation period. In comparison, according to the old legislation, a one-month probation period had been allowed in this situation.

CHAIN CONTRACTS

An employment contract for a fixed period of time ends automatically by operation of law (*van rechtswege*) on the agreed end date. However, under the new legislation (applicable for contracts ending starting February 1, 2015), this only applies to a contract of a maximum of six months. For every other length of contract, the employer is required to specify a month in advance what will happen on the official end date. The new law also has consequences for 'chain contracts' (*keten contracten*). Under the previous legislation, you could be employed on a fixed-term contract basis for three consecutive contracts and/or for a maximum period of three years. This 'chain' could be broken if, during a period of three months, the employee in question was not in the employment of the employer in question. As of July 1, 2015, the new legislation will enter into force. After three consecutive fixed-period contracts – or if the fixed-term contracts exceed two years – the 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-term contract. Under the new legislation the 'chain' is only broken after a break of minimum six months.

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 mini-

imum number of hours as a prerequisite and can only be offered for a maximum of six months.

TERMINATING AN EMPLOYMENT CONTRACT

Starting July 1, 2015, there are two options for an employer who wishes to terminate an employment contract, depending on the reason for the termination. If the work relationship is damaged, an employer can only terminate an employment contract via the sub-district sector of the District Court (or Cantonal Court). In case of economic reasons or in case of illness of the employee, the employment contract can be terminated via the *uwv*. For employees who have been employed for a minimum of two years, a so-called transition compensation is due. See below. (See more on dismissal on page 67.)

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):

<i>Length of employment period</i>	<i>Notice period</i>
0 – 5 years	1 calendar month
5 – 10 years	2 calendar months
10 – 15 years	3 calendar months
> 15 years	4 calendar months

The above notice periods apply to contracts for an indefinite period of time. In the case of other contract forms, such as a temporary employment contract (a so-called ‘temp’ contract), the employer must notify the employee one month in advance of his intentions – this applies to contracts lasting six months or more. For ‘temp’ contracts with a duration of less than six months, 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

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 72) 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 is taxed, at a rate that takes 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.

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, employers will owe compensation if they terminate a permanent contract or a temporary contract that lasted more than 24 months. This transition payment (*transitievergoeding*) is to replace the existing 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 their age. Regardless of the termination route (*uwv* or District Court/Cantonal Court), a severance payment must be paid by the employer, to a maximum of € 75,000. Specifically, the new severance payment is calculated as follows: 1/3 of their monthly salary is granted to employees for every year of employment if they had been employed for a period shorter than 10 years in total, or 1/2 of their monthly salary for every year of employment for contracts that exceeded 10 years). 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 also one of the first countries where these agencies were 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 *NBBU*. 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 *NBBU*). 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.

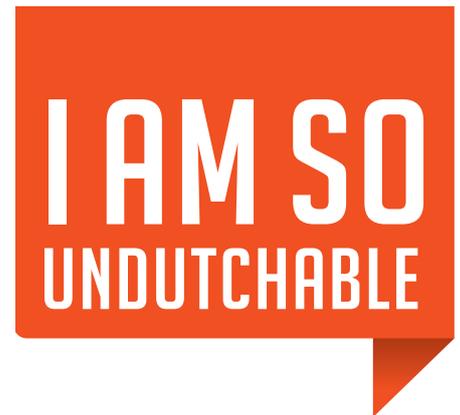
After the UK, Germany and France, most ‘multilingual’ jobs are to be found in international call and shared service centers located

in the Netherlands. There are over 150 of these multilingual 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!), yet 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,



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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 114). 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 115. For EU nationals (including, as of January 1 of last year, EU nationals from Romania and Bulgaria, but still excluding Croatians, who still need a work permit for their first year and 'proof of lawful residence' permit until restrictions are lifted) 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 they do not need a work permit to work here and that, when seeking to fill a job opening, employers in the Netherlands should search not 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

sometimes 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 125).

HOW TO FIND A JOB

These last few years, the Dutch economy has been in a recession, however, since the end of 2013, it has been showing some signs of recovery. Starting this year, this has been the same for the employment market, though improvement remains modest. The prognosis for the 2015 labor market is slightly positive, yet the number of job seekers remains high, so there is much competition from other candidates.

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 number of industries and functional areas, such as: health care, engineering, ICT, Internet/social media, technical positions, 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 115. 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 was at 7.2% at the start of this year, which is 1% lower than last year, while currently the length of the average job search is about four to five months. As mentioned earlier, however; you can 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