

EMN INFORM

Retaining third-country national students in the European Union

1 Introduction

This EMN Inform summarises the main findings of the EMN Ad-Hoc Query (AHQ) on *Retaining third-country national students*.¹ The AHQ gathered existing evidence on policies and practices of student retention in the EU, and was also built on the 'EMN Synthesis Report – Immigration of International Students to the EU'.

2 Key points to note

- ★ The number of international students in the EU has been rising steadily within the past years; however, the percentage of graduates choosing to stay in the EU after the end of their studies remains relatively low.
- ★ In general, Member States are increasingly interested in incorporating former international students into their labour markets, and have changed their national immigration laws to incentivise their stay (e.g. lowered salary requirements and a permit to stay for the purpose of job searching or starting a business).
- ★ With a view to preventing misuse of the residence permits granted, the majority of Member States require third-country national to prove that the permit is used for its main purpose.
- ★ The majority of Member States do not have a National Strategy for third-country national student retention, nor a national coordinating body for this strategy.

Instead, several actors are usually involved, such as the Ministries of Interior and higher education institutions.

3 Background and Context

As the European Commission noted in its 'European Agenda on Migration'² in May 2015, labour migration continues to play a key role in driving economic development in the long-term and in addressing current and future demographic challenges in the EU. Against this background, the EU's legal migration framework in the past years has followed the aim of making EU Member States attractive for third-country nationals. The EU is already an attractive destination for international students, with over 0.6 million first residence permits issued for the purpose of education activities in 2016.³ However, merely 16% to 30% of graduates stay in the EU, according the OECD.⁴

With a view to retaining a higher number of third-country national students after graduation, **the Students and Researchers Directive⁵ was adopted in 2016.**

² European Commission (2015); "European Agenda on Migration", <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1485255362454&uri=CELEX:52015DC0240>

³ Eurostat, ([migr_resfirst](#)), accessed 24 August 2017. Data for IE not yet available.

⁴ OECD (2016), "How attractive is the European Union to skilled migrants?" in Recruiting Immigrant Workers: Europe 2016, OECD Publishing, Paris.

⁵ Directive 2016/801/EU on the conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing (Students and Researchers Directive), OJ L 132, 21.5.2016.

¹ EMN Ad-Hoc Query No 2017.1189 on Retaining Third-Country National Students. Contributions were received from AT, BE, CY, CZ, EE, FI, FR, DE, HR, HU, IE, IT, LV, LT, LU, NL, PT, SK, SE and UK (20 in total).

This was the result of the recast of the 2004 Directive on the conditions of admission of third-country nationals for the purposes of studies, pupil exchange, remunerated training or voluntary service and the 2005 Directive on researchers.

The 2016 recast Directive clarifies the admission and residence requirements by setting out general conditions for admission, and specific conditions for researchers, students, school pupils, trainees and volunteers. With regard to students, it allows them to stay at least nine months after finishing their studies in order to look for a job or set up a business. In addition, the mobility of students within the EU was increased, as they only need to notify the Member State to which they are moving, instead of filing a new visa or residence permit application. Lastly, the Directive gives students the right to work for minimum 15 hrs/week. The deadline for transposition is May 2018.

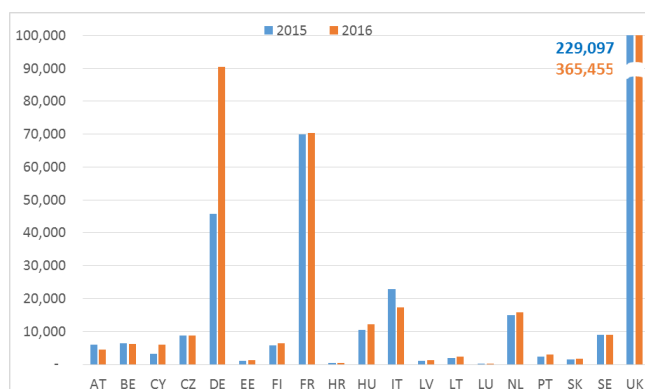
4 Main findings

4.1 THE INFLUX OF THIRD-COUNTRY NATIONAL STUDENTS TO THE EU AND THEIR RETENTION

4.1.1 Residence permits issued for studying

Out of 19 Member States that submitted data for 2015 and 2016, 15 witnessed an increase in the number of residence permits issued for reasons of studying in 2016 (see Annex 1 Table A1.1). The most substantial increase occurred in **Germany** (97.7%), **Cyprus** (85.7%), the **UK** (59.5%)⁶, **Croatia** (35.9%), **Portugal** (31.1%), **Lithuania** (23.0%) and the **Slovak Republic** (18.9%). Five Member States (AT, BE, IT, LU and SE) reported a decline in the number of residence permits in 2016.

Figure 1. Number of residence permits granted to third-country nationals for studying purposes in 2015 and 2016⁷.



Source: EMN NCPs

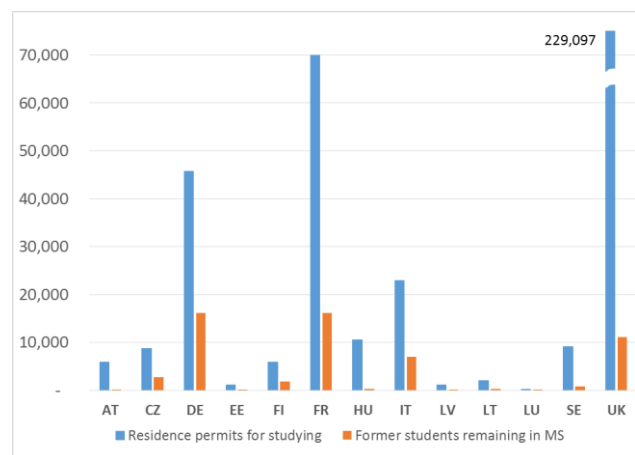
⁶ It should be noted that the UK does not have residence permits in the same way as other Member States. The statistics provided are estimates.

⁷ Statistics not available for IE.

4.1.2 Former third-country national students remaining in Member States after graduation

As regards the share of former third-country national students that legally remained in the Member State after their studies, 11 Member States provided data for 2015 and 2016 (see Annex Table A1.1). Out of these, **10 Member States** (AT, CZ, EE, FR, DE, HU, IT, LT, LU and SE) **recorded an increase in the number of former students remaining legally in the country in 2016 compared to 2015**. Merely the UK authorised less legal stays after graduation in 2016 (decrease of 20.8% compared to 2015). The largest increase occurred in **Estonia** (96.2%), **Lithuania** (70.4%),⁸ **Hungary** (46.1%) and **Germany** (24.8%).

Figure 2. Number of residence permits granted to third-country nationals for studying purposes compared to the number of former third-country national students remaining in the Member State in 2015 (after a change from status from education to another reason of stay)⁹



Source: EMN NCPs

⁸ Statistics for LT are estimates.

⁹ Statistics not available for BE, CY, HR, IE, NL, PT and SK. The figure on students remaining in SE only includes former students who were granted a residence permit for job seeking or employment.

4.1.3 Reasons for stay

Only limited data is available regarding the most popular legal reasons/purposes of stay of former third-country national students (data from BE, CZ, EE, FR, DE, LV and UK, see Annex 1 Table A1.2). Nevertheless, some conclusions can be drawn, for example, it appears that former third-country national students mostly received a residence permit for the purpose of a remunerated activity in 2016. In the **Czech Republic, France, Germany and the UK**, the majority of permits were issued for this reason. In **Belgium and Latvia**, family-related reasons were the most common purpose for stay. Examples for issued permits for 'other reasons' include the recently introduced 'temporary residence permit for settling down permanently' in **Estonia** and 'further studying' in **Germany**. In **Luxembourg**, only until the entrance into force of the Law of 8 March 2017 (which amends article 59 of the amended law of 29 August 2008 on free movement of persons), were students able to have access to the labour market as a first professional experience, after the completion of their studies.

4.2 INCENTIVES IN PLACE IN MEMBER STATES TO RETAIN FORMER THIRD-COUNTRY NATIONAL STUDENTS

In four Member States (BE, CY, HR, HU), former third-country national students are obliged to fulfil all the regular requirements for skilled workers and undergo the regular procedures for applying for an authorisation to stay in the territory of the Member State.

However, **national schemes in 15 Member States include special incentives to retain former third-country national students** (see Annex 1 Table A1.3). Five types of national incentives were reported:

- ★ **Simplified application procedures for an authorisation to stay for work or business:** this incentive is used in eight Member States (AT, EE, FI, FR, IT, LT, LU, SK). For example, third-country national students are not subject to a labour market test or examination according the point-based scheme (AT), or neither have to prove their work experience in the field they are applying for work in the Member States nor undergo a labour market test if they plan to work in the same field as they studied (LT).

In addition, employers are exempt from conducting labour market needs assessment if they hire a third-country national that formerly graduated from an education establishment in their territory (EE, FI, LT, SK).¹⁰ In **Luxembourg**, students are not subject to labour market tests if he/she applies for an EU Blue Card and fulfils the salary thresholds. In addition, it allows a student who has finished his/her studies to apply as an independent worker.

- ★ **Lowered salary requirements:** In three Member States, former third-country national students are subject to lower salary requirements than those that have not studied in the Member State (AT, EE and UK).

In the **UK**, this applies to the main skilled work route for third-country nationals (Tier 2), as well as to those third-country graduates wishing to undertake a period of professional training or a corporate internship related to their qualifications, before pursuing a career overseas (Tier 5);

- ★ **Full access to the labour market** after graduation that is not restricted by the field of study/work nor limited by reduced working hours: Opportunities of this type are implemented in seven Member States (CZ, EE, FI, FR, LT,¹¹ PT and SE). In Luxembourg, there is no limitation on the sector of employment once the residence permit is renewed. However, this does not impede on the Member State's right to reserve specific public administration positions for their own and/or EU citizens only;

- ★ **A possibility to remain in the Member State for job search or to set up a business:** Seven Member States (AT,¹² FI, FR, DE, IE, NL and PT) allow third-country national students to remain in their territory for a minimum period of nine months after completion of studies, thereby already complying with the provisions of the recast Directive 2016/801.¹³ An additional six Member States (EE, LV, LT, SK, SE and UK) have similar provisions in place, but still have to extend the period to a minimum of

¹⁰ In SE, labour market needs test are neither in place for international students, nor for any other categories of immigrant workers.

¹¹ In LT, students have full access to the labour market. However simplified procedures are applied if they continue working in the same field as they studied.

¹² As of October 2017.

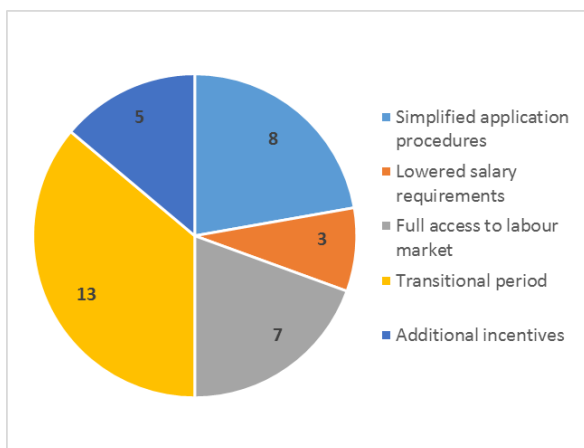
¹³ As IE does not participate in Directive 2016/801, the scheme for graduates falls under national provisions.

nine months in order to comply with the Directive.¹⁴

In the **Czech Republic**, no transitional period is in place at the moment. However, it should be noted that following the transposition of Directive 2016/801, all Member States should allow students who successfully complete university studies to stay in the country to look for further employment;

★ **Additional incentives:** Among others, some Member States' national immigration laws shorten the regular number of years former students have to reside in their territory in order to qualify for a permanent residence permit (DE, EE). Furthermore, Member States in which an immigration quota is in place do not count former third-country national students in the fulfilment of such a quota (e.g. EE, UK for Tier 2). In **the Netherlands**, a highly educated third-country national (PhD level) seeking employment has the possibility to apply for an orientation year within three years of graduation. During this year, the person is granted free access on the labour market and is entitled to a residence permit.

Figure 3. Incentives for third-country national student retention in place in Member States in 2017



Source: EMN NCPs

4.3 CHECKS TO DETECT THE MISUSE OF PERMITS ISSUED TO FORMER THIRD-COUNTRY NATIONAL STUDENTS FOR REMUNERATED ACTIVITIES

Once a residence permit has been granted for the purpose of employment or entrepreneurship, **the majority of Member States check whether third-country nationals use the residence permit for its main purpose** (AT,¹⁵ BE, CY, EE, FR, HR, HU, IE, IT, LT, LU, LV, SK

and SE). In **Cyprus**, the Alien Police verifies that all conditions are met, whereas in **Luxembourg**, the Grand Ducal Police can do so at the request of the Ministry in charge of Immigration. **Lithuania, Luxembourg and Sweden** require the third-country national to submit a work contract.

In the **Slovak Republic**, the Labour Inspectorate also assesses the fulfilment of working conditions of the third-country national under the Labour Code.

In the case of start-up entrepreneurs, **Estonia, Finland, Lithuania** and **Sweden** require applicants to submit a business plan, on the basis of which authorities assess whether a residence permit will be granted. Once the third-country national applies for an extension of the permit granted on the grounds of this business plan, national authorities in **Sweden** verify that the required conditions are still met.

4.4 CONDITIONS FOR GRANTING RESIDENCE PERMITS FOR THE PURPOSE OF JOB-SEARCHING AND ENTREPRENEURSHIP

The 2016 recast Directive allows but does not oblige Member States to establish conditions for former third-country national students to meet in order to be considered for a residence permit for the purpose of job searching and entrepreneurship.

As regards conditions on **educational qualifications** in place in Member States to grant a permit for the purpose of job-searching and setting up a business, Member States often require either a Masters (LU) or bachelor's degree (AT,¹⁶ DE, FR, IE, NL, PT). Several Member States have not established provisions for the minimum degree required (EE, FI, LT, SE and SK) (see Annex 1 Table A1.4).

The majority of Member States do not limit the field of professional engagement of former third-country national students; merely three countries require them to pursue employment or entrepreneurship in the field of their studies (DE, FR and LU) (see Annex 1 Table A1.4).

4.5 WHO COORDINATES THE RETENTION OF THIRD-COUNTRY NATIONAL STUDENTS IN MEMBER STATES?

In the majority of Member States, there is no national strategy for third-country national student retention nor has responsibility for coordinating policies for student retention been allocated to a single institution. However, several institutions are actively involved in this field, such as the

¹⁴ It should be noted that the UK is not bound by Directive 2016/801.

¹⁵ This check is done by the Austrian authorities.

¹⁶ As of October 2017

Ministry of Interior (AT, DE, FR,¹⁷ HR, HU, IE, IT, LT, LV and UK).

In addition, the Ministry of Education (DE, IE and LV), as well as the Ministries of Employment and/or Economy (AT, DE, FI, HU, IE, IT and SK) were indicated as relevant implementing institutions in this field. The organisation 'Nuffic' in **the Netherlands** fulfils the role of national coordinator of the Dutch student retention strategy. It facilitates access of former international students to the Dutch labour market by removing bureaucratic obstacles and coordinates an alumni network of international students. **Sweden** specified that no national strategy for student retention is in place at the moment, nevertheless, higher education institutions may pursue their own activities in this regard. Other entities mentioned by Member States include local governments (FI), universities (EE, LV, SE), and employers' organisations (EE).

Member States have been implementing various initiatives and projects to retain third-country nationals in the EU after graduation. For example, in **Estonia**, 'Recruitment Cafes' for international students have been organised by universities and employers to acquaint them with job and internship opportunities for some years now. In **Germany**, several governmental initiatives and online information portals have been established, informing third-country nationals of the options regarding studying and finding employment.¹⁸ **Hungary** is expecting to launch a project aimed at facilitating the integration of third-country nationals into the labour market in the second half of 2017. However, in most cases these entailed isolated projects rather than a systematic national policy on international student retention.

¹⁷ In collaboration with the Ministry of Higher Education and Research

¹⁸ E.g. <http://www.make-it-in-germany.com/en/for-qualified-professionals/training-learning/study>; <https://www.study-in.de/en/>; <http://www.bamf.de/EN/Migration/Studieren/studieren-node.html>

Annex 1 Statistical Information provided by Member States in relation to the retention of third-country national student

Table A1.1 Number of first residence permits granted to third-country nationals for the purpose of study, and number of former third-country national students legally remaining in the Member States after graduation in 2015 and 2016 (and after changing of status from education to another reason of stay)*

MS	Residence permits granted for studying in 2015	Residence permits granted for studying in 2016	Former students remaining in MS in 2015	Former students remaining in MS in 2016
AT	5,905	4,549	151	203
BE	6,345	6,303	N/A	1,464
CY	3,178	5,903	N/A	N/A
CZ	8,753	8,833	2,793	3,023
DE	45,774	90,503	16,134	20,141
EE	1,144	1,297	106	208
FI	5,869	6,348	1,875	N/A
FR	70,023	70,250	16,107	18,051
HR	387	526	N/A	N/A
HU	10,574	12,272	319	466
IE	22,075	N/A	N/A	N/A
IT	22,870	17,399	7,50	8,000
LT	1,983	2,439	284	484
LU	217	208	45	56
LV	1,106	1,251	97	N/A
NL	14,990	15,930	N/A	N/A
PT	2,277	2,985	N/A	N/A
SK	1,507	1,792	N/A	N/A
SE**	9,076	9,026	753	839
UK	229,097	365,455	11,144	8,826

Source: EMN NCPs

N/A means data not available

* Please note that third-country nationals who remained in the Member State after their studies most likely began their studies before 2015. Thus, individuals in the first and second column and individuals in the third and fourth column are rarely the same.

** Includes only those former third-country national students who stayed in Sweden for the reasons of employment and job seeking but not individuals who stayed for family reasons or on other grounds.

Table A1.2 Number of third-country national students remaining in the Member State after graduation per reason in 2016

MS	Family reasons	Remunerated activities	Other reasons
AT	N/A	N/A	N/A
BE	680	678	106
CY	N/A	N/A	N/A
CZ	286	1721	1016
DE**	4,492	7,418	7,387
EE	41	59	108
FI	N/A	N/A	N/A
FR*	3,943	13,654	449
HU	N/A	N/A	N/A
HR	N/A	N/A	N/A
IE	N/A	N/A	N/A
IT	N/A	8,000	N/A
LT	N/A	N/A	N/A
LU	N/A	N/A	N/A
LV	49	34	14
NL	N/A	N/A	N/A
PT	N/A	N/A	N/A
SE***	N/A	839	N/A
SK	N/A	N/A	N/A
UK	2,345	6,037	444

Source: EMN NCPs

*FR Remunerated activities include the following types of permissions: Scientist-Researcher, EU Blue Card, Highly qualified worker, Employee, Self-employed, Business owner

**In case of Germany the category 'other reasons' means third-country nationals that were authorised to stay for further studies/education.

***In case of Sweden 'remunerated activities' include authorisations to stay for employment as well as authorisation to stay as a job seeker.

Table A1.3 Incentives in place in Member States in 2017 to retain former third-country national students

MS	Simplified application procedures to stay for work/business	Lowered salary requirements	Full access to the labour market that is not restricted by the field of study/work nor limited by reduced working hours	A possibility to remain in the MS to look for a job / set up a business	Additional incentives	TOTAL
AT	√	√		√ 6 months (from 1 st Oct. 2017 12 months)		3
BE						0
CY						0
CZ			√			1
DE				√ max 18 months	√	2
EE	√	√	√	√ max 183 days	√	5
FI	√		√	√ max 12 months	√	4
FR	√		√	√ max 12 months		3
HR						0
HU						0
IE				√ max 6 months ordinary BA degree, 12 months for BA with honours and 24 months for postgraduates		1
IT	√					1
LT	√		√ 6 months	√ max 6 months		3
LU	√					1
LV				√ max 6 months		1
NL				√ max 12 months	√	2
PT			√	√ max 12 months		2

MS	Simplified application procedures to stay for work/business	Lowered salary requirements	Full access to the labour market that is not restricted by the field of study/work nor limited by reduced working hours	A possibility to remain in the MS to look for a job / set up a business	Additional incentives	TOTAL
SE			√	√ max 6 months		2
SK	√			√ 30 days		2
UK		√		√ max 4 months	√	3
TOTAL	8	3	7	13	5	

Source: EMN NCPs

Table A1.4 Conditions for granting a permit to look for a job / set up a business

MS	Maximum length of the permit	Minimum level academic degree established	Work needs to correspond to the level / field of studies
AT	6 months, from 1 st Oct. 2017 12 months	MA, from 1st Oct. 2017 BA	No
CZ	N/A*	No minimum degree established	No
DE	18 months	A degree from a state-recognised university or a comparable educational establishment	Yes
EE	183 days	No minimum degree established	No
FI	12 months	No minimum degree established	No
FR	12 months	Professional bachelor degree	Yes
IE	6 months ordinary BA degree, 12 months for BA with honours and 24 months for postgraduates	Ordinary BA degree	No
LT	6 months	No minimum degree established	No
LU	12 months	Master's degree	Yes**
LV	6 months	Master or doctoral degree	No
NL	12 months	At least a BA degree	Depends on residence permit
PT	12 months	BA	No
SE	6 months	No minimum degree established	No
SK	30 days	High School	No
UK	12 months	A course of 12 months or more in the UK	No

Source: EMN NCPs

* Currently, a transitional period for the job search/setting up a business is not in place in the Czech Republic

** In Luxembourg, if a third country national applies as a salaried worker in the terms of article 59, this must be for a single sector or profession. However, once the residence permit is renewed there will not be any limitation except to the public administration in posts which exercise public authority.



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