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National Center of Competence in Research –  
The Migration-Mobility Nexus

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**International Students:  
Switzerland's Ideal  
Highly Skilled Migrants?**

**in a nutshell #10, December 2018**

**FNSNF**

SWISS NATIONAL SCIENCE FOUNDATION

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## Messages for Decision-Makers

**International students are a key resource for Switzerland: they produce knowledge that contributes to the international reputation of its universities, and constitute highly skilled labor resources.**

**The number of non-EU graduates who receive the six-month permit to which they could aspire to find employment is extremely low.**

**Swiss authorities need to improve their communication towards students, universities and employers about the rights and duties of international graduates.**

**Harmonization with the EU regulation offers a great opportunity to improve Switzerland's attractiveness to non-EU students.**

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### What is meant by...

#### ...international students

All foreign individuals who have obtained their secondary diploma outside Switzerland and are currently enrolled in a Swiss higher education institution

**International students are viewed by many countries as ideal immigrants: having studied at a local institution, they are assumed to better perform in the highly skilled labor market than internationally-educated migrants. A global race for talent is thus going on, and several countries are putting policies in place to attract international students. Switzerland has also introduced policies to facilitate the stay of students from non-EU countries after graduation. Do they reach the desired goal?**

International students were key to the development of the European university system during the Middle Ages. Moreover, they were indispensable for the emergence of Swiss universities at the start of the 20th century. Today, international students contribute to the advancement of scientific research at Swiss universities and to increasing their international reputation. Besides, Switzerland benefits from their demand for goods and services, as well as from their tax and pension payments while working during their studies and after graduation.

#### A Global Top Destination for International Students

The phenomenon of international student mobility acquired a global dimension after the end of the Cold War. According to data from the Organisation for Economic Cooperation and Development (OECD), nearly five million students studied abroad in 2015 – the number more than doubled since 2000. In recent years, global numbers have grown by about 8% annually, much faster than the total number of international migrants. In Switzerland, the numbers of international students enrolled at Swiss universities have more than tripled during the past twenty years, reaching 38,069 in 2018, according to the Federal Statistical Office. The percentage of international students with respect to the total number of students enrolled in Swiss universities reached 17% in 2015, which makes Switzerland a top destination for international students along with New Zealand (21%) Great Britain (18%), Austria (16%), and Australia (15%), as OECD analyses show. This is most probably explained by the high quality of Swiss universities, the low tuition costs, and the country's geographic centrality and multilingualism, which attracts students from neighboring as well as from other countries. International student mobility to Switzerland can be distinguished by level of study: In 2017,

the country ranked second worldwide in percentage of international students at the PhD level (54%), fourth for master's students (26%), and fifth for undergraduate students (12%).

**“The percentage of international students with respect to the total number of students enrolled in Swiss universities reached 17% in 2015, which makes Switzerland a global top destination.”**

#### A Stagnation in the Numbers of Students from Non-EU Countries

In the 2015–2016 academic year, more than half of the international students came from Germany, France, Italy and Austria (Figure 1). The percentage of students from Asia has increased in recent years, reaching 11% of all international students. The largest numbers of graduates from non-EU countries are from China, the USA, Russia, India, and Turkey. Regarding the evolution of international students over time, we notice a constant increase in the numbers of students from EU-countries, while the numbers of non-EU students have stagnated in recent years (Figure 2).

#### Shifting Policies towards International Students from Non-EU Countries

Until the 1980s, policy-makers in Switzerland viewed international students from so-called 'developing countries' as agents of innovation and development for their native countries. In the context of the current global race for talent, the former idea is challenged as international students from non-EU countries are now considered as key resources for Switzerland's economic development

and global competitiveness. Accordingly, in 2011, following Jacques Neirynck's Initiative, the Swiss Parliament amended the Foreign Nationals Act (Art. 21, par. 3) to grant easier access to the Swiss labor market for foreigners from non-EU/EFTA countries with a Swiss university degree. Upon graduation, non-EU foreigners are entitled to stay in Switzerland for six more months to seek employment matching their qualifications. Those who are successful in securing employment will be issued a work permit provided the prospective position involves an activity of particular scientific or economic importance. Moreover, non-EU graduates are no longer subject to the rule giving Swiss and EU-citizens priority when it comes to entering the Swiss labor market.

### Do International Students Stay in Switzerland after Graduating?

The creation of the Swiss Longitudinal Demographic Database has made it possible to calculate the 'stay rates' of international students after graduating. It indicates that, on average, 49% of all Master students who graduated in 2012 were still in Switzerland two years after graduation. Whereas approximately 15% of those students pursued doctoral studies, a large share found employment, and the rest stayed for a variety of different reasons. At 51%, the stay rate of students from the European Union

is higher than that of non-EU students (44%). The stay rates of students from the Americas (41%) and Asia (39%) are lower by comparison.

### Is the New Policy Reaching the Desired Goal?

The aim of the new policy is to grant easier access to the Swiss labor market to graduates from non-EU countries. However, the numbers of non-EU graduates who received the six-month permit by which they could aspire to find employment is extremely low: between 2011 and 2017, only 112 graduates received such a permit according to the State Secretariat for Migration. Further, the stagnating numbers of non-EU students coming to Switzerland since approval of the law in 2011 reveals limited effects of the new law in attracting non-EU students.

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**“The numbers of non-EU students who receive the six-month permit to find employment after graduation is extremely low.”**  
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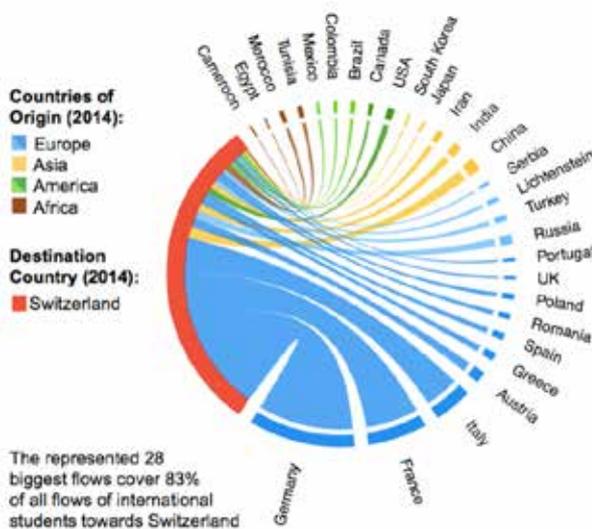
Why are the numbers of non-EU graduates who receive a six-month permit so low? Our research indicates that the amendment of the Foreign Nationals Act

represents an important opening-up in an otherwise restrictive policy system towards non-EU nationals. Yet the new policy is highly selective: only graduates in disciplines with “proven shortages in the labor market” or “the ability to develop new products and technologies” for a globally competitive market stand to profit from it.

Insufficient information is a further problem. Employers and graduates are not always familiar with the provisions of this law. Information is not equally made publicly available by cantonal migration offices. Several employers are not aware that in the case of foreign graduates from Swiss universities they no longer have to justify to cantonal authorities why they want to employ a non-EU graduate rather than a Swiss- or an EU counterpart.

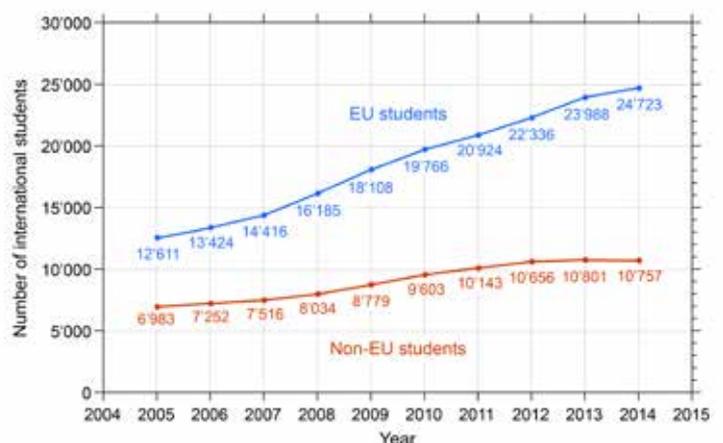
Furthermore, students face legal barriers. As international students are counted in the global yearly quota for non-EU nationals, the actual number of non-EU graduates from Swiss institutions who can get a work permit is rather limited. Moreover, the six-month residence visa to find employment matching their qualifications is too short. By comparison, the European Union Directive 2016/801 allows non-EU students to stay in European Union countries after graduation for at least nine months in order to seek employment or set up a business.

Figure 1: International students enrolled in 2014 at Swiss institutions of tertiary education by nationality



Plot: Annique Lombard. Data source: Federal Statistical Office 2018

Figure 2: Evolution in the numbers of EU- and non-EU international students 2005–2014.



Data source: Federal Statistical Office, 2017.

## Better Policies to Make Switzerland More Attractive

Switzerland's new policy is less attractive than comparable ones in Europe, Canada, Australia, and New Zealand granting easier access to the labor market for non-EU graduates. A clear communication strategy is necessary, which informs students, universities, and employers about the rights and duties of international graduates from non-EU countries. Likewise, cantonal authorities should be better informed about the admission- and work permit procedures for non-EU graduates, and legal obstacles need to be removed. Strengthening Switzerland's cooperation with the EU, and harmonizing Switzerland's policies with the 2016/801 Directive, offers an opportunity to increase Switzerland's attractiveness as a study and work

place. Furthermore, international students are not simply temporary residents but have long-term settlement potential. This is an important result as Swiss policies of migrant integration have so far given little importance to these prospective highly skilled migrants.

## Further Reading

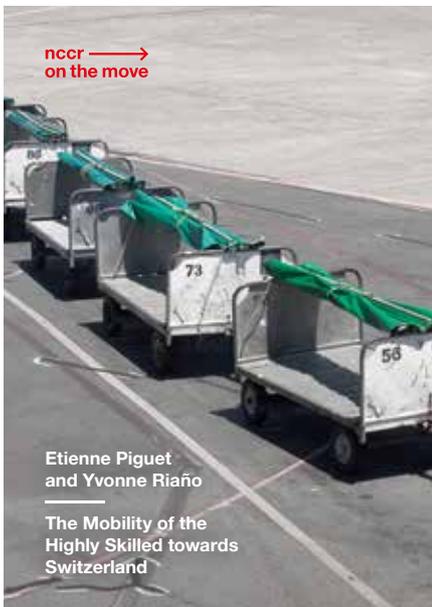
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## The Mobility of the Highly Skilled towards Switzerland

### A project of the "nccr – on the move"

Etienne Piguet and Yvonne Riaño, University of Neuchâtel

The phenomenon of international student mobility (ISM) has received little scholarly attention even though it is now a major issue for (1) receiving states (as a potential source of skilled labor), (2) sending states (as a potential source of brain drain and/or successful returns), (3) universities (as a potential booster of international rankings), and (4) students deciding where to study, live, and work. This project focuses on Switzerland, a top destination for international students.

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The nccr – on the move is the National Center of Competence in Research (NCCR) for migration and mobility studies and aims to enhance the understanding of contemporary phenomena related to migration and mobility in Switzerland and beyond. Connecting disciplines, the NCCR brings together research from the social sciences, economics and law. Managed from the University of Neuchâtel, the network comprises fourteen research projects at ten universities in Switzerland: The Universities of Basel, Geneva, Lausanne, Lucerne, Neuchâtel, Zurich, ETH Zurich, the Graduate Institute Geneva, the University of Applied Sciences and Arts of Western Switzerland, and the University of Applied Sciences and Arts of Northwestern Switzerland.

"in a nutshell" provides answers to current questions on migration and mobility – based on research findings, which have been elaborated within the nccr – on the move. The authors assume responsibility for their analyses and arguments.

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