Implementation plan on how to assess the economic value of Dutch citizens abroad for the Dutch economy

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I would like to express how it is great to have completed my Bachelor thesis. This was definitely a challenging experience and an interesting area from which I have gained much knowledge.

With all my pleasure, I humbly acknowledge all those who, in one way or the other, contributed to this research.

I would like to show special gratitude and value to my supervisor Drs. Gerard Groeneveld, I appreciate the effort you put in reviewing my work and for supporting and providing me the necessary guidance. I also highly value the feedback received from my second supervisor Mrs. van der Valk.

To my company supervisor Eelco Keij, I would like to severely thank you for being helpful in all possible ways and for your assistance as well as your readiness to reply to my enquiries.

I offer my warm thanks and my deepest gratitude to all the Economic experts who have agreed for an interview. I would like to thank Prof. Dr. Harry van Dalen, Dr. Joël van der Beek, Prof. Dr. Andre Kolodziejak, Prof. Dr. Sweder van Wijnbergen and Dr. Ans Vollering. Your much appreciated expertise and intellectual recommendations was an absolute necessity for the accomplishment of this research.

I would also like to thank other Economic experts who shared their opinion, Prof. Dr. Dirk Wolfson, Mr. Arjen van Dijkhuizen and Oscar Lemmers (CBS).

My sincere thanks to you all for co-operating and contributing valuable advice into my research.

Shaima Shahin
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Executive Summary

This report is a graduation assignment written and composed in assignment of D66 and Rotterdam Hogeschool. Globalization has been a popular debate amongst the economic and political interest groups in the Netherlands. Aspects of globalization include growth in international trade, information and communication technologies and declining costs, technological innovation, access to larger markets,
and international migration. The Netherlands is an open economy and connected to the world economy from which approximately a third of the GDP is generated through international trade and services.

In 2012, the Dutch government withdrew the law proposal to abolish the right of dual citizenship as a result of a successful campaign that was set up by Eelco Keij, member of D66 with a response of 25,000 Dutch nationals who live abroad. However there are still exemptions to this statute and the goal of Eelco Keij is to abolish the principle of losing Dutch citizenship by accepting another nationality. By this, he wants to prove that Dutch people abroad have value on the Dutch economy.

The research will determine how to assess the economic value of Dutch people abroad on the Dutch economy. The main objective is to develop an implementation plan on how to assess and evaluate the steps to this research by addressing three main questions.

The research approach is deductive and the literature of this research will encompass of an exploratory research. This strategy is characterized by the collection and analysis of a mixed-method. The data collection from the exploratory study primarily consists interviews and literature study. A total of five in-depth interviews were conducted with Economic experts who are familiar in this field and possess the knowledge: Prof. Dr. Harry van Dalen, Dr. Ans Vollerling, Prof. Dr. Sweder van Wijnbergen, Dr.Joël van der Beek and Dr.Andre Kolodziejak. In addition, the opinions of other external Economic experts were also used in this research.

Two empirical studies and two models were used for the literature study. First Gould (1994) carried out a study for the US by using a panel data set of 47 US trading partners, the relationships of immigrant links to their home countries can play an important role in fostering bilateral relations and a strong positive impact on the exports and imports. His findings suggest that an additional immigrant from Singapore has the largest potential to generate new trade, with additional imports at a value of $29,359 per year and exports at a value of $47,708. Second, the findings of Rauch and Trindade (2002) explored the role of overseas Chinese for China by focusing on ethnic Chinese networks in the context of bilateral trade. By using a sample of 63 countries from Frankel (1997) results showed that Chinese abroad increase bilateral trade with a greater effect in differential products and conclude that ethnic Chinese network in Southeast Asia increase bilateral trade approximately 60%.

The Target Marketing model (Koller) is applied in the second research question in order to clearly define the target group of interest. The Grid Analysis is applied to the third research question in order to identify the indicators relatively to their importance for this research.

Three main questions addressed in this report. First, How is economic value defined in relation to the research? Assuming that Dutch people abroad contribute positively the economic value is formulated and defined as The factors that contribute additionally to the Dutch GDP.

Second, What are the target group indicators? Dutch people abroad is a very broad group and this is divided into five possible target groups for the research: Dutch emigrants, Dutch expats, Dutch ethnic networks, Dutch international companies and Dutch students (abroad). The geographic location for the target group is stratified into the following options: the important trade partners per continent of the Netherlands, the sample of 63 countries by Frankel (1997) and the top ten important trade partners of the Netherlands.

Third, How can Dutch people abroad contribute to the Dutch economy? The following Indicators are organized in accordance to its importance that can provide value to the Dutch economy: trade flows, transfer of money and Dutch international companies. Other indicators are classified as indirect links to the contribution of the Dutch economy or have a high correlation between two or more indicators that it won’t matter whether you measure either one of them because you will actually have the same effect with measuring it. The indicator, networks is used as a target group in empirical studies, and knowledge and image are used more as determinants rather than indicators.

The implementation plan has simplified the research into three main classifications: Definition of economic value, Selection of target groups, Identification of economic indicators. By following these steps and suggestions, it will guide the researcher on the important areas to look at and what to consider as well. This will determine whether there is real economic value for the Dutch economy and how big the economic value is.
The main recommendations are:

1. Formulate whether to analyze positive value on the Dutch economy or both negative and positive and apply the constructed definitions of economic value.
2. Target marketing model suggested several options for the target group, select the country(ies) and (or) the target group that will be focused on.
3. Classify an extensive duration of time in order to determine the value of Dutch people on the Dutch economy for a specific year(s).

Track the importance of these indicators through surveys of Dutch people abroad in order to grasp the opinions of the target group and to test the results. For example which indicators do they think is relatively important or how do they contribute to the Dutch economy.

Assess the different methods, such as replicating the study of Rauch and Trindade (2002) or Gould (1994) in the context of the Netherlands - or analyze the top trading countries of the Netherlands and determine the total Dutch population for every country and evaluate the links.

The Grid analysis where the indicators are compared to each other can solve the problem of certain barriers such as which indicator to focus and its relative importance and evaluating to what extent some indicators measure the same concept.

Abbreviations

D66 democraten 66 (Dutch political party)
CBS Centraal Bureau voor de Statistiek (Statistics Netherlands)
CPB Centraal Plan Bureau (Bureau for Economic Policy)
Introduction

Reflection on IBMS competencies
The IBMS competencies indicated in the table below will help the author to indicate the competencies required to complete the research. These competencies are indicated accordingly to the author at the preliminary stage of the research. Chapter 6 will discuss the reflection of the competencies after the research was completed.
### I. Professional Competencies

<table>
<thead>
<tr>
<th>Professional Competencies</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Applicability to Research Subject</th>
<th>Coaching Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Business Awareness</td>
<td></td>
<td></td>
<td>X</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Intercultural competence</td>
<td></td>
<td></td>
<td>X</td>
<td>High</td>
<td>No</td>
</tr>
</tbody>
</table>

Even though the company is rather national (based in the Netherlands), the research is international as it focuses on a group of citizens who live abroad.

I am fully aware of different cultures whether with communication or business. I come from a strong cultural background and I only attended international schools throughout my life which is why I have friends all over the world. I can easily adapt to different surroundings.

### II. General Management Competencies

<table>
<thead>
<tr>
<th>General Management Competencies</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Applicability to Research Subject</th>
<th>Coaching Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Strategic Vision Development</td>
<td></td>
<td></td>
<td>X</td>
<td>Medium</td>
<td>No</td>
</tr>
<tr>
<td>Business Processes &amp; change management</td>
<td>X</td>
<td>X</td>
<td>None</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Management</td>
<td></td>
<td></td>
<td>X</td>
<td>Low</td>
<td>Yes</td>
</tr>
</tbody>
</table>

I do perform within the constraints of a company's mission and I can recognize some methods and strategies. However I do not possess enough knowledge in this.

I am capable of giving solutions because I have some work experience although it is still limited.

I have the ambition and thoughts to be entrepreneurial and I always seek for innovative ideas. I still did not get the chance to perhaps use this ability.

### III. Functional Key-Areas Competencies

<table>
<thead>
<tr>
<th>Functional Key-Areas Competencies</th>
<th>Level 1</th>
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<th>Level 3</th>
<th>Applicability to Research Subject</th>
<th>Coaching Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>International marketing and sales management</td>
<td></td>
<td></td>
<td>X</td>
<td>Low</td>
<td>No</td>
</tr>
<tr>
<td>International supply chain management</td>
<td></td>
<td></td>
<td>X</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>International Finance and accounting</td>
<td></td>
<td></td>
<td>X</td>
<td>Low</td>
<td>No</td>
</tr>
</tbody>
</table>

I really admire this competency because my main experiences lay here. I did many market-research reports and I carried out jobs in creating marketing and export plans as well as in school.

I do not believe that I possess a proper skill in Logistics, it is not because I am not interested in it but because I didn’t really get the chance to know more about it. I am really interested in export and import operations.

I do not prefer to study Finance although calculations has never been a problem for me. It is just not my field of interest.

HRM is one of these fields in which you can quickly grow to learn. I followed my internship at Michael Page and that is when I started to admire it. I also took HRM courses at school.

### Generic Competencies

<table>
<thead>
<tr>
<th>Generic Competencies</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Applicability to Research Subject</th>
<th>Coaching Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Business Competencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Generic Competencies</td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Applicability to Research Subject</td>
<td>Coaching Needed</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>-----------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
<td>X</td>
<td>Low</td>
<td>No</td>
</tr>
<tr>
<td>I guess I always prefer to take a leadership role in groups but one of the main reasons is getting things done. I enjoy working in groups but it gets frustrating when the tasks are not balanced.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-operation</td>
<td></td>
<td>X</td>
<td></td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>I enjoy working with other people and helping as well as problem solving. I believe working and helping others just makes me as a person better in life.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Communication</td>
<td></td>
<td></td>
<td>X</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>English has never been a problem for me as I can perfectly express myself fluently.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business research methods</td>
<td>X</td>
<td></td>
<td></td>
<td>High</td>
<td>Yes</td>
</tr>
<tr>
<td>Basic methods that were taught gives me some knowledge. Although there is plenty more to still read.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning and organising</td>
<td></td>
<td>X</td>
<td></td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Planning and organizing is not an issue for me because even though it may sometimes go wrong, I quickly stand on my feet and make sure I recover. I do not like to waste time at all.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning and self-development</td>
<td></td>
<td></td>
<td>X</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Knowing my own flaws, strengths or weaknesses is always important to me. If I do not take it seriously or evaluate it myself then I would be really lost, it is part of self-development and always growing to your best.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethical and corporate responsibility</td>
<td></td>
<td></td>
<td>X</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Ethical behaviour is a matter I take strictly seriously. Ethical issues and norms is always a responsibility and acting ethical is something I can only live with.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This report is a graduation assignment written and composed in assignment of D66 and Rotterdam Hogeschool. This research is constructed to create an implementation plan on how to assess the economic value of Dutch people abroad on the Dutch economy.

CHAPTER 1 | INTRODUCTION

1.1 Introduction case company
Democrats 66 is a progressive Dutch political social-liberal party formed in 1966 by Hans van Mierlo. D66 constitutes the basis for a democratic political society in which human rights and free and fair elections are essential and supports sustainable, democratic and open society worldwide. The party which has gained seats in the parliament and also at times lost seats, has had a substantial influence over conventional Dutch politics. (D66, 2013)
Eelco Keij, member of D66, former candidate for Dutch parliament is organizing a political manifesto, serving the interests of Dutch nationals who live abroad. In 2011, Eelco who is Dutch American living in New York, started a debate on dual nationality.

The Dutch government (consisting of CDA and VVD) wanted to abolish the right of dual citizenship under the pressure of the Dutch politician Geert Wilders. This means that in principle all Dutch acquiring a different nationality would automatically lose their Dutch citizenship (no further exceptions according to Dutch law). However; this law proposal was withdrawn and the exceptions that were in place, were remained. This was the result of a successful campaign that Eelco Keij started in 2012 with the help of Worldconnectors and affiliates of Dutch political parties. Eelco states “ The government has been consistently ignoring the importance of expatriates in a globalizing world and the informal role they play as ambassadors for the Netherlands.” Eelco’s petition was a great success due to the unexpected high response rate of which approximately 25,000 Dutch nationals contacted the government to raise the awareness of this matter (a large portion of them residing abroad). The petition also gained support from Dutch leadership from the international business community which generated public and political attention. The new government (consisting of PvdA and VVD) acted upon this to withdraw the contested bill. The political parties; GroenLinks, PvdA and D66 were against this bill all along and the withdrawal was welcomed.

Though D66, believe that in the globalised world we are in today, all Dutch nationals abroad should be granted this option as well as new Dutch people who are situated in the Netherlands as they are a value to the society. Ongeldige bron opgegeven.

The withdrawal of this law proposal is just the beginning to a change in the political system. The goal is to adjust the statute and to abolish the principle of losing Dutch citizenship by accepting another nationality.

The estimated number of Dutch nationals abroad varies from 700,000 to 1.3 million. This group includes many different generations. The problem is that in many practical and legal points, Dutch nationals living abroad do not have the same rights as Dutch living in the Netherlands, or they cannot exercise their rights in the same way. In addition, there is a legislation that interferes with the interests of Dutch nationals abroad, such as the (restrictive) Act on Dutch citizenship that regulates the (im)possibility of dual citizenship. This year a political manifesto will be held that will raise the general question of political “non-representation” of Dutch foreigners. This manifesto is divided into an international-economic, political and legal research.

This thesis will be based on an international-economic research and will include an overview of the economic value and importance with evidentiary facts. The analysis should, if possible, indicate the presumed relationship between the Dutch nationals abroad and the economic impact on the Netherlands.

**1.2 Management Issue**

The problem is that there are not available accurate information and figures concerning the economic value of Dutch citizens living abroad for the Netherlands itself. The focus on economic performance is of great value for D66 as there is an important shift towards home economic performance. The research will determine how to assess economic value and identify indicators of Dutch citizens living abroad for the Netherlands. This will serve as a tool for a political-legal proposal for the Dutch nationals who live abroad to have a separate political representation in The Hague.

Eelco Keij, member of D66 claims that Dutch people abroad have a relation to trade flows of the Netherlands. Keij suggests that this can be proven by selecting the most important trading countries of the Netherlands then the next step would be to identify the population of Dutch people living in the selected country and based on these outcomes study the countries.

**1.3 Research objective**

The objective of the research is to develop an implementation plan on how to assess the economic value of Dutch citizens abroad on the Dutch economy. This will be focused on identifying economic indicators for Dutch people abroad and their contribution for the Dutch economy.

To set out a research strategy to meet D66 determined goals, the economic value, target group and economy of the Netherlands needs to be described. Since empirical studies on this is limited, the
positive or negative outcome will be presented. Furthermore, the next step is to provide recommendations on the presentation of the economic indicators.

Research goal
“The goal is to deliver an implementation plan on how to research the economic value of Dutch citizens abroad for the Dutch economy by identifying economic indicators.”

1.4 Research questions
In order to meet the predetermined objectives, this research is designed to answer the following research questions:

1. **How is economic value defined in relation to the research?**
   1.1 How is economic value defined?
   1.2 How is economic value defined in economic theory?

2. **What are the target group indicators?**
   2.1 What groups can be evaluated for the research?
   2.2 What is the geographic location of the target group?

3. **How can Dutch people abroad contribute to the Dutch economy?**
   3.1 What methods are used to measure this relation?
   3.2 What economic indicators can add value?

In order to collect the necessary data, the research encompasses primary and secondary data. The primary data will be collected from interviews of Economic experts and the secondary data will be collected through desk research.

1.5 Ishikawa diagram
The fishbone diagram also known as the “Cause and effect diagram” is used to explore all the real and potential causes that will result in a single effect. In the diagram there are four main causes with which the importance of different causes can be compared. The fishbone is arranged in to four major categories which will result in an implementation plan for assessing the economic value of Dutch people abroad for the Netherlands.

- Definition recognition
- Target group
- Performance indicators
- Methods
1.6 Chapter summary

Democrats 66 is one of the Dutch political party that constitutes the basis for a democratic society in which human rights and free and fair elections are essential and supports sustainable, democratic and open society worldwide. D66 has had a substantial influence over conventional Dutch politics. Member of this party namely Eelco Keij is organizing a Political manifesto in the Hague for the Dutch citizens who live abroad to have a separate political representation. As a result of their successful influence in 2011 on the withdrawal of the proposal (abolishment of dual citizenship), their goal is to adjust the statute and to abolish the principle of losing Dutch citizenship by accepting another nationality. In order to achieve this, they are striving to demonstrate that Dutch people abroad have a value for the Dutch economy. This lead to the importance of this research because they discovered that this research does not specifically exist for the Netherlands. What is interesting for them to know is how we can assess the economic value of Dutch people abroad for the Netherlands. This will serve as a tool for the political manifesto. With the help of the Ishikawa diagram, four many causes were identified which leads this research to an implementation plan.

Structure of the report:

- Firstly the next chapter introduces the Theoretical Foundation. The theory of the models used and literature are explained.
- Afterwards, the Research Methodology is shown which will be applied to generate this report. The precautions taken to ensure validity and reliability are explained in this part, the research strategy and data collection method.
- Next the research questions are answered in the Research findings designing an implementation plan.
- Within the Research findings chapter, economic value is defined then the target group is described then the necessary indicators are identified and analyzed.
- So that finally the conclusion and recommendations can be given to D66 on how to assess the contribution of Dutch people abroad for the Netherlands.
CHAPTER 2 | THEORETICAL FOUNDATION

This research has not been conducted for the Netherlands before and literature is very limited internationally, therefore the research is entirely relied on two sources which are interviews of experts and similar existing empirical studies. This chapter discusses several literature and models that will be used for the analysis of the implementation plan. First the theory of Economic value is introduced in order to define the first research question. Next, the target Marketing model is discussed which will be used to describe the target group necessary for the research. The Grid Analysis also named as Decision Matrix analysis is explained, it is being used to filter the necessary indicators and to determine which indicators from how to assess Dutch people abroad for the Dutch economy is relatively important. The two similarly existing empirical studies by James. E. Rauch and Vitor Trindade and David M. Gould are used to provide us with reliable information and to analyze empirical ways proven which can be reproducible for how to measure the contribution of Dutch people abroad on the Dutch economy.

2.1 Economic Value theory: Henry George

Description
Henry George (1839-1897) was the most important economist in the 19th century USA, who created many theory changes in economics and in political economy. Later, many foundations and institutions were established to promote the principles of Henry George and support its philosophy by educational means. They provide educational courses, research and readings in belief that the ideas of Henry George provide answers to today’s problems as well as addressing economic issues. This literature uses the updated educational publications from the Henry George institute established in 1971, a membership organization situated in New York, the USA and consists of members from all over the world.

Many Economists have indicated different meanings to the term “Economic value” although Henry George concluded its real meaning and final measure considering all meanings other Economists gave such as Adam Smith and David Ricardo. This literature is an updated replica of the manuscript he had written. The term “value” refers to “the relation of each thing having value to something which is the source and natural measure of all value” namely human efforts. The term “value” in economics is recognized as a concept of value in exchange and value in use. The amount of money or goods or services that is gained for something else that is equal or it is considered as a measure from which an economic actor can profit from the goods or services. (George, 2012)

Motivation
In order to answer the first research question, it is essential to justify the meaning of economic value and this literature will help to achieve this. Once this is clarified, the meaning of Economic value in relation to this research is justified.

2.2 Target Marketing model

Description
The six-step target marketing model is used to create small segments in the broad market in order to identify the right target group. Market segmentation provides guidance to creating business strategies in promoting products for the target Group; through analytics and market information to make product
decisions and creating strategies for target groups. This powerful tool provides organizations an actionable mechanism to achieve product decisions, targeting and pricing strategies.

**Figure 1** Target Marketing model (P. Kotler)

The diagram above demonstrates the six steps of segmentation to identify the target group(s). The market segmentation describes the process of classifying the customers into smaller target groups. The market targeting consists of assessing every segment’s attractiveness and then selecting the relevant target group(s). Step 5 and 6, Market positioning is arranging a product and positioning it in a desirable segment by adapting a marketing mix. Market positioning will be opted out for this research as it is not applicable.

The first sub-question will focus on the target group that needs to be defined. The target marketing model is used to define the broad group of Dutch people abroad in order to identify the possible target groups accordingly to their status to measure for the research. *(For example; Dutch emigrants)*

After the possible target groups are identified, the second sub-question will focus on the geographic segmentation of the target groups. This includes dividing a market into different geographical units such as nations, states, regions, counties, cities, or neighborhoods. *(For example; Dutch citizens in United States, Dutch citizens in Europe, Dutch citizens in Italy).*

- Market segmentation

1. Companies divide the large group or market into smaller segments to efficiently reach their products to the target group that match their needs.

Segment marketing: From the broad market, companies divide it into segments so that they can adapt their offers as close as possible to match the need of the segments. Companies can also improve their product, price to the needs of the segments and also encounter less competitors only when competitors are not focusing on the same market.

Micromarketing is a form of target marketing where companies focus their marketing programs to needs of smaller segments: geographic, demographic, psychographic. Micromarketing requires a company to define a specific smaller target group or highly-targeted groups. This helps to meet the needs of particular individuals and locations.

2. Segmenting consumer markets: For selecting segments in the market, the following variables are essential: geographic, demographic, psychographic and behavior. Geographic segmentation consists of dividing the market into different geographical areas such as countries, cities, regions. For making
decisions, a company may want to operate in one or more geographic locations but they need to consider the geographical differences in needs and wants. In demographic segmentation of the market variables such as age, religion, race, nationality, ethnic community are taken into consideration in order to reach the target group more efficiently and to assess the size of it.

- Market targeting

3. Segment attractiveness: Some companies find the segments interesting because of its size and growth and they can select segments based on size, growth rate, business capabilities or current sales. The criteria to the selection of segments that a company aims to target needs to be measurable and actionable.

4. Target segmentation selection: In order to select a target group segment, two factors need to be considered; the attractiveness of the segment and it should be evaluated accordingly to the fit between the segment(s) and the objectives of the company's capabilities and resources. (P. Kotler, 2005)

Motivation
One of the main steps to creating this implementation plan is to clearly define the target group of interest. The purpose of the model is to increase market efficiency by focusing a product to a particular group. It is important not to define the market too broadly and with this model, sub-markets and target groups can be identified. This tool is used for the second research question, this way “Dutch people abroad” will be narrowed down for “who can be assessed for the value of the Dutch economy”.

2.3 Empirical study: James E. Rauch and Vitor Trindade

Description
Since there is only little empirical studies that is directly related to the phenomenon of this research, it is an important literature to support the arguments and conclusion of the research. Rauch and Trindade (2002) explored the role of overseas Chinese for China by focusing on ethnic Chinese networks in the context of bilateral trade. They used the standard gravity model of bilateral trade to measure the effects of ethnic Chinese networks. The gravity equation was thought as a representation of an empirical relationship between size of economies, their distance and the amount of their trade. This gravity model represents the prediction that the volume of trade between two countries are directly related to the product of their economic masses which is measured by the GDP or GNP and inversely related to the distance between them. Rauch and Trindade (2002) modified this model used by Frankel (1997) and Deardorff (1998) and Wei (1996) to include variables needed for their research. (Trindade)

Motivation
For becoming familiar of the research, theories are introduced to give a clear understanding on relevant indicators to assess the value of Dutch people abroad for the economy. The model that is used in the empirical study has had a success in its findings and therefore it provides an empirically tractable framework for a more reliable support to the outcome of the experts interviewed. This literature is applied to the third question as a way to empirically suggest findings that can be compelling to assess Dutch people abroad for the Netherlands.

2.4 Empirical study: David M. Gould

Description
There have been more studies conducted on the immigrant links to their home country but even so,
empirical findings are limited. This research can also be used inversely and adjusted on how to measure Dutch people for the Dutch economy. According to the study which Gould (1994) has carried out for the US, the relationships of immigrants to their home and host countries can play an important role in fostering bilateral relations and a strong positive impact on the exports and imports. Gould (1994) developed this model which is a modification of Bergstrand’s (1985) microeconomic foundation of the gravity model. The gravity equation has recognized empirical success in explaining different types of flows such as migration, commuting, tourism and commodity shipping which can be applicable to measure Dutch people abroad for the Netherlands. Gould (1994) developed a bilateral trade model as well like Rauch and Trindade (2002) that is used as a basis for his research. Of course the model in this study is modified differently where immigrants are assumed to decrease transaction costs of trade between the host and home countries and by developing contacts. The model explores immigrant links to the home country by using data on the types of products imported and exported, the size and source-country distribution of the immigrant stocks, and immigrant characteristics. The model of Gould (1994) illustrates the mechanisms through which immigrants enhance trade and sets the framework for the empirical analysis. This empirical study is applied to the third question as a way on how to assess Dutch people abroad for the Netherlands. (Gould, 1994)

**Motivation**

For becoming familiar of the research, theories are introduced to give a clear understanding on relevant indicators to assess the value of Dutch people abroad for the economy. Just as the before mentioned literature, the model that is used in the empirical study has had also a success in its findings and therefore it provides an empirically tractable framework for a more reliable support to the outcome of the experts interviewed. This literature is applied to the third question as a way to empirically suggest findings that can be compelling to assess Dutch people abroad for the Netherlands.

### 2.5 Grid Analysis (Decision Matrix Analysis)

**Description**

This model is used as a quantitative technique for making a decision from options or alternatives that are set out. A set of criteria options are scored and summed for a total score so that it can be ranked. The criteria can also be also be ranked in order of importance. The analysis helps to decide between various options and factors to take into account.

**Method:**

The options (indicators) are listed as rows on the table and the factors to be considered are inserted in the columns. (MindTools)

First all the options are listed as the row labels on the table, and the factors that need to be considered are as the column headings.

Next each option in the column will have to be scored for each factor in your decision. The score for the option is from 0 (poor) to 5 (very good).
**Figure 2 Grid Analysis**

<table>
<thead>
<tr>
<th>Factors:</th>
<th>Compelling</th>
<th>Measurable</th>
<th>Verifiable</th>
<th>Direct link</th>
<th>Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weights:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Indicator 2</td>
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<td>2</td>
<td>2</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Indicator 3</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Indicator 4</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>15</td>
</tr>
</tbody>
</table>

The table above shows the options on the left side labeled as Indicator and the factors that are considered to assess the indicators:
- **Compelling**: interesting, the power of the indicator and suggestive of effective action, the indicator should comply with intended audience
- **Measurable**: indicator should reflect the phenomenon that is aimed to measure
- **Verifiable**: the indicator should be valid and verified by experts and empirical findings
- **Direct link**: the link to how the indicator is consistent to assessing the Dutch economy
- **Value**: the affect of the indicator on the outcome (OECD)

After the options (indicators) are assessed, the next step is to work out the importance of the factors. The score for the factors is from 0 (absolutely unimportant) to 5 (very important), this is indicated in the Weights section. For the score of every option entered in the table, it is multiplied by the value for each relative importance factor (Option X Weight). The last step as shown in the table below is to add the weighted scores for all the options. As a result, the options that are scored the highest are determined in order of importance. (MindTools)

<table>
<thead>
<tr>
<th>Factors:</th>
<th>Compelling</th>
<th>Measurable</th>
<th>Verifiable</th>
<th>Direct link</th>
<th>Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weights:</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Indicator 1</td>
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<td>38</td>
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<td>Indicator 2</td>
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<td>6</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>Indicator 3</td>
<td>25</td>
<td>0</td>
<td>10</td>
<td>3</td>
<td>20</td>
<td>58</td>
</tr>
<tr>
<td>Indicator 4</td>
<td>0</td>
<td>8</td>
<td>15</td>
<td>12</td>
<td>25</td>
<td>60</td>
</tr>
</tbody>
</table>

**Motivation**
This model will be used for the third research question, after all the possible indicators are identified which assess how Dutch people may contribute to the Dutch economy. It is essentially important to make the right decisions on which indicators to focus on or perhaps analyze their importance level. The grid analysis will help to shed light on the indicators in order to give reliable and valid recommendations.

**2.6 Relevance tree**
The aim of the relevance tree is to bring a form of structure to the literature search by collecting all the ideas for this research and to create various sub-topics in order to indentify the specific area to research. This is a useful method to structure the relevant literature and the research process. The headings represent the main research questions and the subheadings describe the key words which can be used for the search. First the research goal is indicated at the top level of the diagram, next the headings are indicated which reflect the research questions and then every heading is divided into sub-headings. The theory describes that it can help to determine which keywords are relatively important for the research questions and goals, the areas that should be firstly searched and the areas that are more important. The relevance tree is considered as a power technique as it breaks down the problem into great details and this demonstrates the links between the elements that are
2.7 Chapter summary
This chapter displayed the two models and two empirical literature that is used in Chapter 4. The Target marketing model helps to classify the target group that is needed to the steps and ways on how to assess the value of Dutch people abroad for the Netherlands. From the results of the data collected, the Grid analysis is used to clarify the relatively important indicators in accordance to its factors. The empirical data provides evidential information on how they approached their research in a similar phenomenon and identifies data on their target group and the indicators they focused on. The next chapter provides the methodology of the thesis, this includes the research method which is applied and explains why this research approach is chosen.
CHAPTER 3 | RESEARCH METHODOLOGY

This chapter discusses how the research is conducted and why the particular approach is chosen to answer the research questions. It describes the research strategy and qualitative method as the main approach, the method of collecting data and the measures taken in order to achieve the validity and reliability of the results.

3.1 Introduction

The aim of this research is to analyze the steps on how to assess the economic value of Dutch people who live abroad on the Dutch economy and giving recommendations. In order to do this, it is important to get an understanding on the definition of economic value and the target group. The possible methods and indicators on how to assess is then linked. This is achieved through the results of two main sources: the interviews and empirical studies, this helps and enables D66 to determine a strategy on how to research this and the dimensions to focus on.

3.2 Research questions

As formulated in 1.4, the following shows the research questions and sub-questions that need to be answered through this research:

1. **How is economic value defined in relation to the research?**
   1.1 How is economic value defined?
   1.2 How is economic value defined in economic theory?

2. **What are the target group indicators?**
   2.1 What groups can be evaluated for the research?
   2.2 What is the geographic location of the target group?

3. **How can Dutch people abroad contribute to the Dutch economy?**
   3.1 What methods are used to measure this relation?
   3.2 What economic indicators can add value?

These questions are formulated accordingly to the unit of analysis namely the indicators and target group steps that need to be identified in order to analyze the value of Dutch citizens abroad on the Dutch economy.

The relevance tree on the next page is constructed for this research to bring a form of structure to the literature search by collecting all the ideas and create various sub-topics in order to indentify the specific area to research. The research goal is indicated at the top level of the diagram, the headings indicate the research questions and the important sub-headings follows. The constructed key words are relatively important for the research questions.
The process of data collection elaborates from the type of study and the research questions formulated. As this research has not been conducted in the Netherlands before, in-depth interviews are used as primary data to collect valuable information for all research questions. These are the questions used to guide the in-depth interviews:

How would you evaluate this research?

1) Which economic indicators can describe that Dutch citizens abroad contribute to economic value for the Netherlands?
2) How would you define economic value?
3) Who are the possible target groups?
4) Is there a link or relationship between Dutch citizens abroad and their added value towards the Dutch economy?
5) What additional sources would you suggest to study?
6) What available source of information or additional sources would you suggest to study?

3.3 Research strategy and data collection
The research approach is deductive because conclusions are directly drawn from interviews of experts and empirical studies. The literature of this research will encompass of an exploratory research. This strategy is characterized by the collection and analysis of a mixed-method:

Qualitative data method: the purpose for qualitative research is to discover concepts and relationships, this will consist of literature review. The main characteristic is that the research arrives to findings with non-numerical observations. The three components include: data sourcing, coding and data communication. For the identification of indicators and the target group, interviews will be conducted. In-depth interviews will be held with experts in Economics, who have knowledge in this field. This will support the findings in the presentation of assessing the Dutch economic development. This will be mainly face-to-face and some may include telephone interviews by reasons of distance or convenience.

Quantitative data method: Empirical studies include the use of data analysis that generates or uses numerical data through models. The data collection from the exploratory study primarily consists of literature study and interviewing experts who are familiar and have the knowledge in the field of assessing the value of Dutch people abroad on the Dutch economy or experts who have conducted similar studies. Empirical studies concerning the Netherlands does not exist although the use of studies which are conducted in the same or similar phenomenon are necessary to get an understanding of this relation. Even though existing literature is very limited, the opinions of experts and the findings of studies will be applied to all
In this research, the entity that is aimed to analyse is the steps (assessment) on Dutch citizens abroad and their contribution to the Dutch economy. The unit of observation is restricted to two units of observation. The unit on which the data will be collected is the opinions of Economic experts and the two existing empirical studies namely James E. Rauch and Vitor Trindade (2002) and David. M Gould (1994).

Data collection
Both primary and secondary data are combined in order to find out the possible ways to assess the economic value of Dutch people abroad on the Dutch economy. The primary data will be collected directly from interviews with Dutch economic experts. The secondary data will be collected through desk research consisting of data that already exists. The secondary data that will be collected involves data from empirical studies, this will be combined with the primary data in order to support the new collected data. For all three research questions, the findings collected from interviews and the findings collected from secondary data will be used.

1. Primary data
Interviews is a method for collecting data, a discussion between two or more people. Out of the different types of interviews, in-depth interview is selected for this research to collect data. Interview will be conducted on-to-one and in some situations by telephone. This type of interview is labeled as “informant interview” because it is entirely based on the interviewee’s perception or opinion that guides the interview. Although in this case, a participant interview will be used in which the interviewer states the questions and the interviewee answers. The list of questions will be asked for all interviewees. The first step is to select the top Economic experts to interview through mainly desk-research. After a whole list is constructed, in order to establish contact with the right people who can provide the most relevant data, e-mails and phones are used as vehicles of communication. After the respondent provides a confirmation that he has knowledge in this field, the selection of experts will then be clustered and interviews will be arranged.

A sample of at least 5 in-depth interviews is sufficient to meet the objective in order to find a range of responses. Many of the experts who have responded claimed they did not have enough knowledge to participate in an interview since they are not familiar with the subject. However, the experts selected for this research all confirmed their familiarity with this subject as well as their knowledge and experience.

All Economic experts who showed potential for data collection were interviewed:
1. Prof.Dr.Harry van Dalen, is currently a professor at Tilburg University. He is an Economic researcher/economist specializing in a variety of areas such as economic thought, economic policy, ageing economies and emigration. He has also held a position as policy advisor for the Ministry of Economic Affairs, the Council of Economic Advisors and the Scientific Council for Government Policy. He also published books and many studies and took part of projects such as; Understanding emigration from high-income country, International migration, Emigration of the Dutch, International labor market and many more publications. With this background and knowledge, he was selected as he worked close enough in the same area of this research.
2. Dr. Ans Vollering, is a policy adviser at the Koninklijke Nederlandse Akademie van Wetenschappen. She has worked close with Prof.Dr.Nijkamp who has carried out similar research and they published many studies together and since Prof.Dr.Nijkamp was not able to participate in an interview, Dr.Ans Vollering was available. In addition, she has worked with many economic experts as
herself and has familiarity in this subject and published books such as Economic model for the Netherlands and Demographic changes and economic developments.

3. Prof. Dr. Sweder van Wijnbergen is a professor at University of Amsterdam, and has previously worked as a professor at London School of Economics, lead economist at the World bank and also worked at the Ministry of Economic Affairs. He was selected for an interview due to his teachings in international economics and transition economics and his extensive experience abroad. Moreover he published empirical studies such as Fiscal policy, trade intervention and world interest rates, The welfare effects of trade and Capital Market Liberalization.

4. Dr. Joël van der Beek is an owner of EconoVision, which is a bureau of economic research and consultancy and is a board member of Economists for Peace and Security. He has previously worked as an Economic researcher at Policy research corporation and an economist for Atos KPMG consulting. He has worked on many projects and conducts research for the government, companies, non-profit sectors and international. He was selected for this research because this is the kind of study his bureau would conduct and due to the extensive amount of research he has carried out, he was able to participate in an interview.

5. Dr. Andre Kolodziejak is currently an Economist at the European Commission, a candidate at the European Parliament and an active member of Christian Democratic Appeal People’s Party(CDA). The European Commission conducts many studies and Dr. Andre Kolodziejak has published many and believes he has the knowledge for this research.

2. Secondary data
Secondary data which is partly used for this research will be both quantitative and qualitative. The empirical studies draw conclusions through the use of models and use statistical indications for this. Data which can be used consists only of finished studies. Desk-research is selected as a vehicle to collect secondary data or through recommendations of experts. The combination of interviews and empirical studies will give a more genuine and reliable outcome for the research.

Sampling
The sampling technique will have to require appropriate participants who are relevant to the study. (Ellie Fossey). The non-probability sampling will be used for this thesis because of the irrelevance to specify a sampling frame to this research. An information rich in-depth study will be undertaken by a number of non-probability sampling techniques in order to answer the research the questions and meet the objectives. For this research, non-probability sampling will be adapted, purposive or judgmental sampling is selected. In order to meet the objectives and answer the research questions, purposive sampling allows the opportunity to select cases that is most suitable. Since the samples are small and targeted at Economic experts, it will be dependent on the research questions. As the quality and efficiency is of great importance, maximum variation will be used as a sampling strategy. By using this strategy, a small number of empirical findings (the ones that are available) is selected to maximize the diversity that is relevant to the research questions. It will complement the interest and value of the core literature. It will help to understand how this phenomenon is seen from empirical studies that is conducted in a different setting and different country. (Helle Neergaard)

Since empirical studies for creating an implementation plan on how to assess the value of Dutch nationals abroad on the Netherlands does not specifically exist, the availability of such information is very limited. The deviant or extreme case sampling is used most effectively to special or unusual cases. The data collected will improvis the learning outcomes and meet the thesis objectives most effectively. (Mark Saunders)

3.4 Assuring credibility of the research
In order to ensure credibility, experts in the area of Economics and who have knowledge in this topic will be interviewed and for validity, gaining and accessing the interviewee’s knowledge and experience. Interviews will be conducted in a way the questions will be clarified and the subjects will be discussed from different angles. The information will be supplied to the interviewee prior to the interview, this will promote the validity and reliability because it will enable the interviewee to prepare and bring necessary information or documentations which is requested.

Actions undertaken to collect reliable data:

- Record meetings.
- Prepare meetings and interviews.
- Make minutes during the meetings.
• During the interview, the same questions will be asked in different ways to prevent observer errors.
• Everything will be summarized frequently and the interviewee will be asked if the information that is being written down is interpreted correctly.
• Use reliable sources.

To ensure the credibility of thesis outcome, measures on secondary data are carried out. The most important measure to ensure credibility is to assess who is responsible for publishing the data and in which context the information were collected; this will give an idea of potential biases and errors. Empirical studies or information that will not provide information for this study may result in invalid answers. (Kervin 1999). To guarantee the credibility, a common approach is to examine how other researchers collected their secondary data in a similar context. Whether researchers found out that the measures were relevant or irrelevant and if they had problems then these suggestions can be clearly incorporated.

Assessing the source of the data is a fundamental measure to guarantee the credibility. This usually refers to the authority or reputation of the source. Empirical studies that had a success are to be used but since very little is available, the author is restricted to a few studies but in addition experts will approached for recommendations for certain empirical studies because the accuracy of results are most likely reliable and trustworthy. The empirical studies that are used for this research is confirmed and recommended by Economic experts in order to ensure its credibility accordingly to the phenomenon of this research.

Dochartaigh(2002) suggests steps for initial assessments of the authority of all kinds of secondary data available through the internet. Assessing the authority that is responsible for the data is important but may be difficult because at times if the publisher does not state the copyright statement, which is an indication for validation. Using other means of contact details can be a way to contact the author for the content. Even though publication via internet is not controlled, many organizations that publish their data such as “Institute of…” can appear credible and are used to suggest pseudo-academic credibility. (Mark Saunders)

In order to ensure the quality of the outcome of the research, feedback is received regularly from the constituent as well as the supervisor throughout the research. Meetings are being held to discuss the progress of the research.

3.5 Planning and execution of the research

Project Risks
It is important to define and recognize the risks for this research in order to determine how to manage them and reduce the risks.

1. Interviews: a list of questions have been constructed for the interviewees but since it is an in-depth interview and little there is known about this topic, the interviewee may take the lead in the interview thus not answering the questions. Since the author can only rely on the findings of experts and the existing empirical studies, it will not be a great obstacle as long as the most relevant information is collected. However, in order to avoid this the interview questions are discussed with the interviewee beforehand and to ensure the questions are answered. In addition, by using the network of D66 it makes it more trustworthy for interviewees to share more information. One interview is not sufficient to collect information so approximately five in-depth interviews will take place.

2. Time: in order to arrange interviews with Economic experts, it is very essential to plan this at an earlier stage of the research. Since Economic experts tend to have very busy schedules or are located in a different country. If it is inconvenient to arrange a one-on-one interview then a telephone interview will be an option.
3.6 Chapter summary
The aim of this research is to demonstrate how D66 can assess how Dutch people abroad can contribute to the Dutch economy. The research evolves an exploratory study focusing on literature study and interviews conducted from Economic experts who conducted studies in a similar context or possess the knowledge in the same or similar field. The outcome of this is linked in the conclusive part of this report.
CHAPTER 4 | RESEARCH FINDINGS

This chapter displays the found result and the specific data collection by answering the research questions. As demonstrated in the previous chapter, the research design is carried out in this chapter. The literature study consisted of the Economic value theory by Henry George (2012) introduced in the first research question, two empirical studies by James E. Rauch and Vitor Trindade (2002) and David M. Gould (1994), the Target Marketing model in the second research question and the Grid Analysis is used in the third research question. All five Economic experts were interviewed in-depth with the same questions for a duration between 2 and 4 hours, namely: Prof. Dr. Harry van Dalen, Dr. Ans Vollering, Prof. Dr. Sweder van Wijnbergen, Dr. Joël van der Beek and Dr. Andre Kolodziejak.

In addition to the research design, Economic experts that were not able to participate in an interview (Prof. Dr. Dirk Wolfson, Mr. Arjen van Dijkhuizen and Oscar Lemmers, CBS) have yet given their opinion through electronic means which will be used as well because certain patterns and repetitions arose and this will help to make valid conclusions.

For every research question, an introductory paragraph is set out. The economic value in theory, empirical findings and results from interviewees in this chapter present information on the economic value, the target group and indicators to assess the value of Dutch people abroad for the Dutch economy. The next chapter will present the conclusions of all three main research questions.

4.1 Introduction

Most experts claimed that this topic is difficult to evaluate which is why this has not received enough attention to study. The objective of this chapter is to simply the possible areas to look at for D66 in order to provide the most favorable recommendations. There are no empirical studies carried out for the Netherlands on the value of Dutch people abroad and their relation to the Dutch economy. As mentioned in Chapter 1, it has become increasingly unknown to identify the steps on how Dutch people abroad can contribute to our economy. By taking a closer look at defining the economic value this will help to clarify and restrict the definition to a smaller group namely economic value of Dutch people.

4.2 RQ1: How is economic value defined in relation to the research?

The research question is formulated by the help of the Ishikawa model and two sub-questions are formulated in order to answer the question.

4.2.1 How is economic value defined?

In relation to this research “Economic value of Dutch citizens abroad for the Dutch economy” refers to the positive impact on the Dutch economy of Dutch working abroad.

The intent is to evaluate the concept of Economic value in Dutch citizens abroad for the Dutch economy, by

1. Analyzing the value referred to in the empirical studies.
2. Analyzing the value referred to of experts that are interviewed.

Empirical studies

The study of Rauch and Trindade (2002) on Ethnic Chinese networks demonstrated the value as the total value of trade over the years for the Chinese economy and how much this accounted.

Gould (1994) explains that international labor flows is the key to the value of links that immigrants contribute to their home country. He further explains the value in the context of exports and imports that each immigrant generates. The value of additional imports and exports yearly.

25
Economic experts
According to Ans Vollering economic value can be described as the GDP, the impact on the GDP, employment and competitiveness (competitive strength). If for example a Dutch citizen from abroad brings knowledge to the Netherlands to start a Dutch company or to operate a Dutch company, he will bring knowledge with him from abroad to the Netherlands and this way sharing the knowledge by adding more competitive advantage. This will then increase competition and therefore promote strength or power for the Netherlands. In order to define economic value, first this needs to be analyzed at a micro level and define the environment and then work up to analyzing macro data. There are reasons from where economic value can be understood. Expats pay taxes to the Netherlands although Vollering believes that economic value can’t be realized with taxes from a Dutch company because Dutch people who work or live abroad with a Dutch labor contract continue paying taxes to the Netherlands.

However, Sweder van Wijnbergen believes that the economic value is the benefits and positive impact on the economy. The major link is foreign investment and international companies because this is where the value comes from.

Joël van der Beek argues that value is in the representation of the country. There are Dutch people abroad that give negative value by for example disturbing the image or reputation of the Netherlands. If great products from the Netherlands are sold or imported abroad then there will be a positive effect. If Dutch people misbehave abroad then this causes a negative value. For example; there was a Dutch architect who designed a big football stadium in China which caused a positive value because the Chinese will spread a word of mouth that a Dutch man designed the stadium. The creation of economic value for the Netherlands would be in international trade. If there are no people abroad from the same country as you then it will be very difficult to trade because Dutch people abroad are also specialists to choosing which products we can import and they are important for exporting. If all Dutch people were living and working in the Netherlands, international trade will gradually slow and level off. Therefore, international trade exists due to the fact that Dutch people live across borders. The Netherlands is a small country that has many relations with other countries, Dutch people are essentially important and have a high value.

Arjen van Dijkhuizen, economist at ABN AMRO Bank formulated the economic value as the positive impact on the size of the Dutch economy (or growth of the Dutch economy) of Dutch working abroad.

Andre Kolodziejak states that in business the total value added is referred to. The so called value-added is the total added value of all production. The pure production value during the process. In terms of this research economic value is the economic growth, the production which is immediately income and all the costs or inputs. The extra growth of the Dutch economy from which everyone of course benefits from meaning the extra income and creation of jobs.

4.2.2 How is economic value defined in economic theory?

The term “Economic Value” is one of the possible ways to measure value of something. Economic value is useful to consider when making economic choices. (Mazzotta)

Adam Smith (1723-1790) introduced the economic theory named “labour theory of value” which explains that the labor used in production is the value of a good or service. Economists have then proposed other competing theories following the great work of Adam Smith by accepting the term he used “value in exchange” but not in the same way he accepted it.
The term “value” refers to “the relation of each thing having value to something which is the source and natural measure of all value” namely human efforts. The term “value” in economics is recognized as a concept of value in exchange and value in use. The amount of money or goods or services that is gained for something else that is equal or it is considered as a measure from which an economic actor can profit from the goods or services. (George, 2012)

Both empirical studies show similarities when they relate to value in their research, they argue that value is the additional imports and exports yearly created from immigrants or the value as the total trade over the years from Ethnic Chinese networks. All economic experts that were interviewed suspect that the economic value of Dutch people abroad on the Dutch economy is positive and a few also consider the negative value. Of course value can be created by different indicators but all experts agree that value is the additional growth, benefits and impact on the size of the Dutch economy. In economic theory, Henry George explains value as the human efforts and the economic value is the money, goods or services that is gained for something else that is equal or from which an economic actor can profit.

The empirical findings and the concept of economic value indeed support the data collected from interviewees as they share very similar concepts of economic value.

Since the value depends on the indicator that will be selected to research, the general definition of economic value can be formulated as;

Assuming that Dutch people abroad contribute positively:
“The economic value of Dutch people abroad is the factors that contribute additionally to the Dutch GDP.”
4.3 RQ2: What are the target group indicators?

The focus of this research question is to clarify who needs to be measured for this research. In order to demonstrate the possible ways to assess this the target group needs to be defined. The six-step target marketing model is used to define in the broad group of Dutch people abroad in order to identify the possible target groups to measure.

The research question is formulated by the help of the Ishikawa model and two sub-questions are formulated in order to answer the question.

4.3.1 What groups can be evaluated for the research?

Figure 1 Target Marketing model (P. Kotler)

Marketing segmentation

1. **Identify bases for segmenting the market**

On January 1st 2013, the approximate population of the Netherlands had 16.8 million inhabitants that is 48,000 more than the year before. Around 156,000 immigrants came into the Netherlands and 143,000 emigrants left the Netherlands. The immigration has declined for the first time in 2012 since 2006 and the emigration rose for the three consecutive years. (CBS, Bevolkingsgroei in 2012 ingezakt, 2013)

According to CBS, 395 people left the Netherlands every day in 2012 due to dissatisfaction with the political climate, the impact of the economic crisis and the hardening in the society. Many hard working and productive Dutch people leave the country. The decline of immigration accounted 4% and the rise of emigration was 7%. Out of the immigration in 2012, 18% are born in the Netherlands. The Telegraph (De Telegraaf), the largest Dutch daily morning newspaper stated that this century 1,659,000 immigrated and 1,475,000 emigrated and that gives a net migration of 184,000. That is a yearly average of 128,000 immigrants and 113,000 emigrants and a balance of 14,000. (Dyke, 2013)

Highly educated citizens emigrate from the Netherlands such as medical specialists, consultants, freelancers and hence a matter of brain drain. (Dyke, 2013). However, not all people who work abroad are emigrants as there are people who live in one country and work in another crossing borders every day or weekly or yearly for little less than a year. People who work abroad for a small period of time or
cross borders can contribute as an important source of funding to their home countries from another economy also known as “border” or “seasonal workers”. People working in international companies who are actively working between the home and host country represented by the company are considered as border workers and this is similarly seen with employees working in foreign embassies and foreign military base. (Anne Harrison, 2004)

Empirical
The study of Rauch and Trindade (2002) focused their target group on ethnic Chinese networks on bilateral trade and considers this “probably the world’s largest and most internationally dispersed set of interlinked business and social networks”. They used a sample of 63 countries chosen by Frankel(1997) to select the target group in terms of geographic location in order to measure the strength of ethnic Chinese network.

The group that Gould (1994) targeted in his study was immigrants links representing the number of immigrants. He investigated the impact of immigrants on imports and exports to their home country. In terms of geographic location, he estimated the imports and exports between the US and 47 trading partners.

2. Develop profiles of resulting segments

Economic experts
“Dutch people abroad” is very broad and dependent on the study, this should be narrowed to which target group should be focused on. It is important to carefully examine the relations of the Dutch abroad for the Netherlands. There are relationships that do not represent anything and relationships that do. After the second World War many Dutch people who were busy with wrong doings fled abroad and these are also Dutch people abroad and their economic value is negative. (Beek, 2013)

Joël van der Beek, further explains that there are groups that don’t fall under the research and groups that do, so there is a huge variety. Therefore men need to examine Dutch people who are important for the Dutch economy then target the ones who are active abroad. These could be diplomats, people from the business life, entrepreneurs abroad and Dutch companies operating abroad.

Andre Kolodziejak, economist of the European Commission states that the target group is anyone who possesses the Dutch nationality. Though in this case it consists of Dutch people who have worked outside the Netherlands whether it is for a period of 2 or 3 months, temporary people, expats and emigrants contribute to the economy. Today, it is difficult to distinguish expats and emigrants because they now have similar meanings, there are expats that live outside the Netherlands for more than 15 years. Expats consists of a small group and migration is a group of mass emigration. Students can also be a category, the ones who study abroad. (Kolodziejak, 2013).

Dirk Wolfson, professor at Erasmus University stated that the target group consists of temporarily sent representatives of the government or Dutch diplomatic representatives and international organizations. Large multinationals and also middle-sized companies send people to solicit orders abroad or to build experience from which they can later make use of in the Netherlands. Examples of these companies are Shell and Unilever. In addition, the media (TV, radio, major newspapers) send correspondents abroad, as long as to their expectations to get paid but this is a small category. Another category would be temporary stay of your own initiative, this includes students who study abroad for a period of time and then add extra value in the Netherlands. There are people who go abroad from their own initiative and therefore are not sent and they spend part of their careers working abroad which is probably not known.

Harry van Dalen, professor at Tilburg University states that there are different variables in order to approach this target group. OECD gives an overview of emigration and the returned migrants. Emigrants, expats and Dutch companies are the main variables. When examining the companies men must determine whether the company is Dutch or owned by the local population. Expats are
adventurous people but it is in itself a value for the Netherlands. Harry van Dalen and Ans Vollering suggest the closest link would possibly be emigrants and from there men could look at the contribution of emigrants for the Netherlands.

However, Sweder van Wijnbergen professor at Amsterdam University had a different view because he believes emigrants are a different category and as followed he suggested that Dutch companies are to be examined and emigrants are a possible measure although it is not a big group since the biggest wave of emigrants occurred after the second World war. Farmers went to Canada because the agribusiness in the Netherlands was expensive whilst in Canada it was possible to buy a huge farm of a province, the same in Eastern Europe and many Dutch farmers went to Eastern Europe. Nowadays, highly educated people such as people of Turkish origin are returning to Turkey because it is going well in their home country. The Netherlands has a net-migration but it is almost balanced, for example low-skilled people come to the Netherlands and highly skilled people leave the Netherlands, Turks who graduate return to Turkey. Though the expats have a great importance for the Dutch economy, due to the fact that they contribute to the integration of international companies from which the Netherlands largely earns its income. (Wijnbergen, Economist and Professor at the University of Amsterdam, 2013)

After the target group is chosen, the next step would be to concentrate on their geographic location. The attention can be shifted on a list of countries or continents such as Europe or North America, or on a bilateral front. For geographical groupings, similarly related studies that have been carried from Rauch and Tindade (2002) and Gould (1994) focused on a number of countries in order to analyze the strength of the target group on the overall economic impact. There are also different studies for example Harrison (2004) that concentrated on a list of countries in different continents or regions.

4.3.2 What is the geographic location of the target group?

Andre Kolodziejak and Joël van der Beek argue that geographical grouping is essential because Dutch people abroad is very broad. People from the US are different than the ones in Europe, it needs to be distinguished. Dutch people do other things in the US than the Dutch people in Africa than Dutch people in Europe. The groups need to be therefore stratified and it does matter where the Dutch people are located whether in Europe or outside Europe. For example, people who are in Chile can contribute to the Dutch trade but they have little influence on the economic policy in favor of the Netherlands. The distribution is typical for a specific continent or country. Spain is a common destination for Dutch people and many live there but many of them are older people, Dutch people who enjoy the sun and have no relation to trade. Therefore it is important to focus on a group that is economically active.

The CBS stated that the main destinations within Europe of people who emigrate to are Belgium, Germany, France, Spain and Sweden and the rest emigrate to the US, Australia, Canada and New Zealand. (Weenen, 2011).According to CBS Germany, Belgium and the UK are the most popular emigration countries. For years, emigrants from the Netherlands settle in the neighboring countries respectively 12%, 10% and 8%, often just across the borders. These statistics are only known for the ones who have deregistered to the country they leave. Other destinations, Scandinavian countries have been on the rise over the longer term with Norway and Sweden the most popular countries. (Dyke, 2013)\texttt{http://www.flipvandyke.nl/2013/02/loopt-nederland-leeg-record-emigratie/ - 1}. The number of Dutch that emigrated to Norway increased since the outbreak of the economic crisis with more than a third. The institution named Placement provides information and advice on emigration projects in Scandinavia and they see the Dutch interest in Norway increase. According to the director Gert Ritman, emigration to Scandinavian countries have gained tremendous popularity over the past five years. (Voort, 2013)
As suggested by Harry van Dalen and Joël van der Beek, countries that can be selected for the research are the most important trading countries of the Netherlands. After selecting these countries, the next step would be to identify the total population of Dutch people in each of the countries. This will be further explained in the next research question.

The major trading countries for the Netherlands:

<table>
<thead>
<tr>
<th></th>
<th>Top Important export countries</th>
<th>Top Important import countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>2.</td>
<td>Belgium</td>
<td>Belgium</td>
</tr>
<tr>
<td>3.</td>
<td>France</td>
<td>China</td>
</tr>
<tr>
<td>4.</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>5.</td>
<td>Italy</td>
<td>US</td>
</tr>
<tr>
<td>6.</td>
<td>US</td>
<td>France</td>
</tr>
<tr>
<td>7.</td>
<td>Spain</td>
<td>Russia</td>
</tr>
<tr>
<td>8.</td>
<td>Poland</td>
<td>Norway</td>
</tr>
<tr>
<td>9.</td>
<td>Sweden</td>
<td>Japan</td>
</tr>
<tr>
<td>10.</td>
<td>China</td>
<td>Italy</td>
</tr>
</tbody>
</table>

(CBS, 2012)

Market targeting

3. Segment attractiveness

- Segment size: Based on evaluating the Dutch people abroad on the Dutch economy, it is important to select the target group that can meet the requirements. If there are very little or no Dutch people in a certain country then it will be difficult to measure and it wouldn’t be attractive to select that country.

- Segment data and growth: This consists of markets in segments that are growing and declining. In this research, this refers to countries in which the Dutch people are mainly emigrating to or the growing population of Dutch people in a certain country. As mentioned before the main destinations Dutch people tend to emigrate to in Europe are countries that are close to the Netherlands and a growing destination for Scandinavian countries. In addition popular destinations outside Europe is the United States, Canada and Australia. Most of these countries are the main trading partners of the Netherlands.

- Segment differentiation: By selecting various geographic locations of the target group, it is attractive because this will provide more information and most likely results with a higher effect on the value of Dutch people abroad on the Dutch economy.
4. Target segmentation selection:

<table>
<thead>
<tr>
<th>Target Group (Options)</th>
<th>Geographic segmentation (Options)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dutch emigrants</td>
<td>Full list of the important trade partners per continent of the Netherlands (45 countries). David M. Gould evaluated in his research the full list of important trade partners for the US.</td>
</tr>
<tr>
<td>2. Dutch expats</td>
<td>Sample of 63 countries by Frankel (1997) used by Rauch and Trindade in their empirical findings.</td>
</tr>
<tr>
<td>3. Dutch ethnic networks</td>
<td>Top ten important trade partners of the Netherlands</td>
</tr>
<tr>
<td>4. Dutch international companies</td>
<td>Bilateral front</td>
</tr>
<tr>
<td>5. Students</td>
<td></td>
</tr>
</tbody>
</table>

The table above presents the possible target groups to be selected for this research and the possible geographic locations for any target group. The full list of the 45 important trade partners of the Netherlands and the sample of 63 countries used by Rauch and Trindade can be found in the Appendix I of the report. The top ten trade partners has already been mentioned. Another way to evaluate the target group is on a bilateral front, this means selecting one country separately and assessing its relation to the Netherlands as suggested by Keij, Beek and Dalen.
4.4 RQ3: How can Dutch people abroad contribute to the Dutch economy?

The focus of this research question is to determine the possible indicators in order to evaluate the research. The grid analysis will be applied which will help to shed light on the indicators and to identify the indicators in order of relevance to this research. The research question is formulated by the help of the Ishikawa model and two sub-questions are formulated in order to answer the question.

4.4.1 What methods are used to measure this relation?

The most related studies to this research was the work of Rauch and Trindade (2002) and Gould (1994) because other empirical studies do not reflect back to the effects of the home country and these are the most cited sources in this area. The empirical study of Gould (1994) focused on immigrant links in the US to their home countries which is the opposite of this research since we are focusing on Dutch emigrant links abroad to their home country (Netherlands) but the research is in the same phenomenon as suggested by Economic experts. The authors in both empirical studies have used a gravity model to get to their findings because it is a standard and empirically successful method used by many very commonly because it assesses the determinants of aggregate trade flows between countries.

Empirical

According to the study which Gould (1994) has carried out for the US using a panel data set of 47 US trading partners, the relationships of immigrant links (number of immigrants) to their home countries can play an important role in fostering bilateral relations and a strong positive impact on the exports and imports. For every country, he assessed the links on a bilateral front, for example he found out that due to immigrant links, Italy's trade to the US contributed 11% higher than Brazil, all other things being equal.

Immigrant networks creates ties that consists of transferring knowledge of home markets, language, preferences and business contacts that can possibly lower the transaction costs of trade. By two fundamental ways, the ties influence the bilateral trade flows with immigrants having the tendency to bring preferences for their home products and bringing foreign market information and contacts that lower the transaction costs of trade. These two mechanisms are the main findings in which the first mechanism suggests that immigrants who consume their home products can as a result lead to a direct import increase of these products into the host country. The second mechanism suggests that immigrants can lead to a direct effect in the increase of both export and import of the host and home countries because of the decrease in transactions costs, acknowledgment of foreign market information and the creation of new trade relations. Transaction costs of trade can be lowered by immigrants because of the use of their mother tongue language and the residents of the host country can use it. In the host country there are people who are bilingual in the languages of the home and host country whether immigrant or not and this beneficially improves barriers to communication resulting in a decrease in transaction costs. With differentiated products in the country, immigrants can bring information on their home products such as preferences which cuts back costs for the host country to obtaining foreign market information. Of course trade is highly dependent on contracts for delivery and payment and a key factor to this is the build on trust. Through the contacts of immigrants, the risk will be decreased by ensuring the enforcement of the trade contracts and decreasing the costs in negotiating the contracts.
The effects of immigrant links depend also on the types of goods traded and the exchange of information of immigrants depends on the amount of market information brought in the host country and this can also depend on the educational level of the immigrants as well as the period of time the immigrants stay in the host country and the size of their community. As immigrants bring knowledge the information costs are reduced for economic agents who do not migrate and this creates value for non-immigrants in both countries for production and trade opportunities and increases consumption opportunities.

The result of this empirical study advocated that throughout history immigrant links have been vital in the increase of bilateral trade flows with the home countries of immigrants. Even though there have been large emigration waves, migration still continues to be an important economic force. Moreover, he found out that it was not the case that all the increases in bilateral flows in the US from an additional immigrant comes from countries with a larger immigrant stock because the largest immigrant effects actually came from countries with a small immigrant network in the US which are a large potential for trade. For example, his findings suggest that an additional immigrant from Singapore has the largest potential to generate new trade, with additional imports at a value of $29,359 per year and exports at a value of $47,708. (Gould, 1994)

Rauch and Trindade (2002) explored the role of overseas Chinese for China by focusing on ethnic Chinese networks in the context of bilateral trade. They evaluated whether the presence of ethnic Chinese residents in trading partner countries contribute to trade in types of goods. By using a sample of 63 countries from Frankel (1997) for two year 1980 and 1990 and by using a standard gravity model for bilateral trade, the types of goods they examined were: organized exchange, reference-priced, and differentiated commodities. The results showed that Chinese abroad increase bilateral trade with a greater effect in differential products. Ethnic Chinese networks influence all three goods on imports and exports but the effect is bigger on differentiated goods. Business and social networks promote international trade and investment by means of two mechanisms: reducing informal barriers for businesses as ethnic Chinese networks engage into the exchange of information that helps to connect buyers and sellers in the international market. Secondly, Ethnic Chinese help to prevent or at least reduce the violations of contracts such as agreements with suppliers and customers and protect the investor’s legal rights. When an investment decision is being made of course the exchange of information and enforcement of contracts is essential. In order to assess the market, feasibility or profitability of an investment project, the information sharing becomes fundamentally important because it consists of information on the market conditions such as labor and material costs, suppliers and distributors. The level of risk for investment barriers differ amongst countries, whereas countries that have a limited exchange of information from official channels and where the legal environment is weak tends to be high. For example China is considered as a country with high barriers for foreign investments because this has just become a recent phenomenon. However, the study of Rauch and Trindade was carried out a decade ago so things have changed because today China has become a top and popular choice for investments. Even though China’s openness to international trade and investment has served the interest of foreign investors, properties rights and contract laws are still weak.

In addition, foreign investors can encounter problems if they are not familiar to the regulations of the host country as well as language and custom. Rauch and Trindade (2002) argued that business and social networks can help businesses and investors to overcome informal barriers and accordingly promote international trade and investments. As for the differentiated products that had the greatest effect, the findings conclude that ethnic Chinese network in Southeast Asia increase bilateral trade approximately 60%. (Trindade, 2002)

Economic experts
The most common indicator stated from the interviewees on how to measure Dutch people abroad for the Netherlands is Trade. Harry van Dalen, Joël van der Beek and Andre Kolodziejak proposed the
same method on how this economic indicator can be measured.

The importance of networks in international trade can help promote trade flows both exports and imports. For example looking at the substantial amount of Dutch people living in Turkey because they can possibly form a link by providing export opportunities for the Netherlands, so by exporting or importing products to the Netherlands and from the Netherlands. Turkish citizens who for example return to Turkey may export and import and by doing so, it realizes economic value. A way to approach this is by making a list of countries the Netherlands trades with and then finding out the total population of each country and see if there is a link. (Dalen, 2013)

The type of people, culture, history and religion plays a role to where Dutch people are situated or with who the Netherlands trades with. For example the Netherlands is more family to the US because of similarities in culture, mentality and many Dutch people can easily speak English. Dutch are more similar to Germans compared to the UK. By looking at trade theories, trade exists when the Netherlands specializes in a particular product and the Germans specialize in a different product and then they will trade with each other. In order to trade in your country, people will have to cross borders. Looking at the effect of Dutch people on the national product or GDP is a way to look at it. The correlations that can exists of Dutch on exports. In order to evaluate Dutch people abroad for the Netherlands, the countries with which the Netherlands greatly trade with needs to be selected and then stratify the main countries, export as well as import. Next, the total population of Dutch people living in each country needs to be identified as well as how many people from that country lives in the Netherlands. This leads to shedding light on these relations. Maybe it is not known the causality of how much Dutch people live in that country and the exports so maybe you export a lot because a lot of Dutch people live in that country or because a lot of Dutch people live there is the reason you export a lot. It can go two ways. However if this is not known, it can be concluded that if there are many Dutch people living in a particular country, the Netherlands regularly exports a lot with that country, and also if the Netherlands regularly exports with that country, a lot of Dutch people live there. There are also countries with which the Netherlands trades very little with or not at all and as a result you will find that little to no Dutch people are living there. (Beek, 2013)

According to Kolodziejak, a way to measure trade relations of Dutch people abroad for the Netherlands is by assessing the trade increase. Selecting the largest export countries and where most Dutch people live and then determine whether there is a correlation between the amount of Dutch people who live in a country and the export to this country. With this relation, trade can increase and costs can decrease. At the moment that a Dutch citizen needs to specially travel abroad for trade, it is much more expensive. If the Dutch investor or trader already knows or has someone in the host country who wants to import for example cheese, he will already be in the country and speaking the language so this saves language costs, translating costs, travel and telephone costs. In other words when there is someone present abroad that can do the job for you, this will decrease costs but also lower risks in case it fails. The person that is present in that country will be aware whether to import to product or not as he is familiar with the market and so with this the benefits increases as well as trade.

This method can be approached in a direct way as suggested from empirical studies or in an indirect way but still have a lot of value. This was also strongly recommended by D66 staff by firstly selecting the most important trading countries of the Netherlands. The next step would be to identify the total population of Dutch people in each of the countries. After, the correlation between the Netherlands on a bilateral front of each of the countries are examined. This method is further emphasized below.

The theory of the gravity model of trade can be applied to explain the relations of these countries for the Netherlands. The empirical model helps to clearly bring out the value of trade between two countries. (Paul R. Krugman, 2012)

The diagram below shows the export and import value in billion euro in total per year for the Netherlands.
As mentioned in the target group, the Netherlands trades mainly with European countries. The diagram shows that the Netherlands trades with countries that are geographically closer or countries that have a larger economy which is consistent to the Gravity model. Other things being equal is trade between two countries in proportion to the product of the GDP and distance diminishes. Out of the top five import partners of the Netherlands is China and United States because of their high value of GDP. “There is a strong empirical relationship between the size of country's economy and the volume of both its imports and exports.” (Paul R. Krugman, 2012)

Another use of the gravity model is to identify the anomalies in trade. The harbor and Schipol airport are important assets of the Netherlands and the port in Rotterdam is the largest in Europe. This makes the Netherlands the point of entry and transportation costs as well as geography plays a role in determining the volume of trade. (Paul R. Krugman, 2012)

In the section of the target group, it explained how the Scandinavian countries have become an increasingly popular destination for Dutch citizens to emigrate to, this can also explain Norway and Sweden as one of the most important trading partners of the Netherlands. CBS shows that the import from Norway remained constant from 1997-2007 with little fluctuations but in 2008 it dramatically rose and continues to increase till today. As for Sweden, there was a gradual drop in 2008-2009, could be due to the financial crisis but it steadily went up from 2009.

Poland also seems to top the list for the Netherlands, this could be due to their entrance to the European Union and this makes trade much easier as barriers are demolished. Exports to Poland has been growing over the years and in 2007 it sharply grew but as most cases of the rest of the countries, in 2008-2009 it dropped due to the financial crisis but exports steadily grew after. Moreover, the Netherlands has been increasingly investing in BRIC countries and the import flows remains growing specially China as it is the third import country but has not fully penetrated the BRIC countries. This can explain the reason for the trading partners such as China and Russia for the Netherlands but also due to the size of their GDP and in the case of Japan. (CBS, 2012)

After the most important trading partners of the Netherlands are selected, the total population of Dutch people living in each country is identified. On a bilateral front, every country is studied to assess whether there a correlation between the population of Dutch people in that specific country and the

<table>
<thead>
<tr>
<th>EXPORT</th>
<th>IMPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>97.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>48.8</td>
</tr>
<tr>
<td>France</td>
<td>36.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>32.2</td>
</tr>
<tr>
<td>Italy</td>
<td>19.6</td>
</tr>
<tr>
<td>United States</td>
<td>16.8</td>
</tr>
<tr>
<td>Spain</td>
<td>12.3</td>
</tr>
<tr>
<td>Poland</td>
<td>8.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>7</td>
</tr>
<tr>
<td>China</td>
<td>6.7</td>
</tr>
</tbody>
</table>
Netherlands and how this can affect the economy. This research has been carried out by the author and will be used as a tool for the political representation for Dutch people abroad in the Hague. *(An example of the relation between the Netherlands and China is attached in the Appendix).*

In addition to the selection of countries based on the most important trading partners of the Netherlands, the selection of countries based on votes from Dutch people for the parliamentary elections is another step to this method. (This was suggested by Eelco Keij, member of D66)

The countries on the left side below indicate from which countries most Dutch people abroad registered for the parliamentary elections that took place last September 2012.

<table>
<thead>
<tr>
<th>Top Dutch voters abroad, 2012</th>
<th>Total granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Belgium</td>
<td>8253</td>
</tr>
<tr>
<td>2. Germany</td>
<td>8012</td>
</tr>
<tr>
<td>3. France</td>
<td>5126</td>
</tr>
<tr>
<td>4. US</td>
<td>2819</td>
</tr>
<tr>
<td>5. UK</td>
<td>2502</td>
</tr>
<tr>
<td>6. Spain</td>
<td>2187</td>
</tr>
<tr>
<td>7. Switzerland</td>
<td>2172</td>
</tr>
<tr>
<td>8. Australia</td>
<td>918</td>
</tr>
<tr>
<td>9. Italy</td>
<td>742</td>
</tr>
<tr>
<td>10. Canada</td>
<td>678</td>
</tr>
<tr>
<td>11. Curacao</td>
<td>678</td>
</tr>
<tr>
<td>12. Sweden</td>
<td>659</td>
</tr>
<tr>
<td>13. South Africa</td>
<td>636</td>
</tr>
<tr>
<td>14. China</td>
<td>531</td>
</tr>
</tbody>
</table>

(Gemeente, 2012)

The countries in the table above on the top Dutch voters are selected from a list of 195 countries. The table shows the first three countries are in proportion of the export trading countries for the Netherlands, yet the first five countries are still the top important trading countries. Assumingly, even though the Netherlands does not trade massively with countries such as Australia, Canada and South Africa they still make it on the list because of the massive wave of Dutch emigrants that left the Netherlands after World War II to these countries. On the other hand, Curacao could be by reason of colonial ties. Even though China is 14th on the list, China has recently become a fast growing partner for the Netherlands and with China still making it the 14th, it shows that Dutch people are living there and their willingness to keep their ties with the Netherlands. *(See appendix III for an example on the relations between the Netherlands and China).*

This step in the method adds a strong relation to assessing how Dutch people abroad can contribute to the Dutch economy.

The figures given on the next page present the current total population of Dutch people living or working in these countries. The top ten Dutch trade countries and top ten countries of Dutch voters have been selected. The total population below do not represent the total Dutch ethnic origin (Dutch ancestry) residing in each country because this would be much higher than the given figures.
### Table: Total Dutch population abroad

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Dutch population</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>133,500</td>
<td>(CBS P. W., 2013)</td>
</tr>
<tr>
<td>Germany</td>
<td>156,000</td>
<td>(DNHK, 2013)</td>
</tr>
<tr>
<td>France</td>
<td>200,000</td>
<td>(Metz, 2010)</td>
</tr>
<tr>
<td>UK</td>
<td>110,000</td>
<td>(NLeM, 2013)</td>
</tr>
<tr>
<td>US</td>
<td>100,000 - 325,000</td>
<td>(DBNL, 2011)</td>
</tr>
<tr>
<td>Italy</td>
<td>20,000</td>
<td>(Bruna, 2006)</td>
</tr>
<tr>
<td>Spain</td>
<td>55,000</td>
<td>(INE, 2011)</td>
</tr>
<tr>
<td>Poland</td>
<td>1700-2000</td>
<td>(Linde, 2008)</td>
</tr>
<tr>
<td>Sweden</td>
<td>8,676</td>
<td>(Placement, 2013)</td>
</tr>
<tr>
<td>China</td>
<td>10,000</td>
<td>(NLeM, 2013, Trade and Investment relations between the Netherlands and China 2013, 2013)</td>
</tr>
<tr>
<td>Russia</td>
<td>500-1000</td>
<td>(Akker, 2013)</td>
</tr>
<tr>
<td>Norway</td>
<td>7,457</td>
<td>(Placement, 2013)</td>
</tr>
<tr>
<td>Japan</td>
<td>1,000</td>
<td>(Rijksoverheid, 2011)</td>
</tr>
<tr>
<td>Switzerland</td>
<td>30,000</td>
<td>(NLvereniging, 2010)</td>
</tr>
<tr>
<td>Australia</td>
<td>96,000</td>
<td>(Australië, 2013)</td>
</tr>
<tr>
<td>Canada</td>
<td>111,990</td>
<td>(Statistics-Canada, 2009)</td>
</tr>
</tbody>
</table>

(Five-step model of assessing the contribution of Dutch people abroad for the Netherlands)

In the model above, it is essential to follow the various steps as formerly explained. By implementing these steps, the relations of Dutch people and ways on how they can contribute to the Netherlands will become clear.
4.4.2 What economic indicators can add value?

As discussed before trade is an important indicator explained by the experts interviewed but also proved by empirical studies. All possible indicators that can add value will be discussed. Information has also been collected by other external experts who claim to have expertise in this field.

Trade flows

As mentioned before, trade is a common indicator amongst empirical studies and Economic experts, this will be further explained as only method was presented.

Dirk Wolfson, professor at Erasmus University stated that the Dutch diplomatic representations abroad concentrate more and more on the promotion of trade. The size of the budget of the foreign services gives an indication of their value.

Ans Vollering and Arjen van Dijkhuizen, economist at ABN Amro Bank suggested that international trade and FDI can play a role for Dutch people abroad.

Without the Dutch crossing the borders international trade would not exist. This does not only consists of drivers or pilots that have to transport the products but also the party who seals the deal or closes the contract and this is very important for trade. A country that isolates itself for example like North Korea which is a poor country, they live with the little trade they do with South Korea. This can also be seen in a different way, for some countries more than half of their population live outside their country. More than half of the Surinamese population live outside Suriname and also Cape Verde survives thanks to the Cape Verdeans who live abroad. People in Cape Verde earn €4 in their country while in the Netherlands they earn €80 and they send money every year to their home country. Cape Verdeans living abroad is a reason for their country existing. For the Netherlands Dutch people across borders is vitally important because if you withdrew all the Dutch outside the Netherlands then everything will stop and slow down. If the Dutch do not cross borders or if they do not want to take the risk to go to a different country then the Netherlands will sell nothing. This can also be seen vice-versa, it will be difficult if the Netherlands has a demand for German products, if the Dutch residing in the Netherlands want a BMW then they will have to export cheese or else it will not work. (Beek, 2013)

Trade is much more favorable for the Netherlands than business relocations. With every person abroad that provide economic benefits to the Netherlands; the more they feel Dutch or connected to their country (example: possessing a double nationality), the more they want to do something for the Netherlands. (For example; if you receive a phone call with someone who is in the herbal business but does not have all the resources and needs your help to export, you will help him because you are a Dutch national and you would want to do that for a Dutch person because you come from the same region).

Trade is very important, the more Dutch people living or active abroad the more there is a demand for Dutch products. For example people in the US who want to try cheese or who perhaps have a cousin who trades in cheese, he will recommend others to approach his cousin and this means it is a matter of networking and national products. The Dutch economy in 1900 developed itself strongly due to the many Dutch people in Indonesia or India. At that time industrial developments were setup that the Netherlands did not have. So the Netherlands in 1900 was quite heavily behind and the industry that the Netherlands have came from abroad, people produced for the Netherlands in India. Trade can lead to business establishments in the Netherlands. (Kolodziejak, 2013)
Transfer of money/Remittances

There is indeed a connection between migrants and country of origin and perhaps the money that they send back to the Netherlands. (Dalen, 2013)

Transfer of money or remittances is another way to evaluate economic indicators. Emigrants who earn well abroad, for example residing in Qatar or Turkey, they will send back money to their home country. That is also an element of how to assess economic value of Dutch people. What emigrants do abroad is send money to their families in the Netherlands, this does add value to the Dutch economy but only of course if the money is being consumed or spent. The money will have to be spent which then adds value. (Vollering, 2013)

According to Statistic Netherlands (CBS), a way to assess Dutch people abroad for the Netherlands is through remittances, money that Dutch people abroad send to the Netherlands. Statistics are available for how much money is sent from people (not companies) to the Netherlands although it does not indicate the origin or the breakdown by nationality so it will not be possible to distinguish whether the money from the US comes from an American or a Dutch man.

A lot of people who live abroad in different countries use Western Union for transferring and sending money; these people are characterized as dynamic people who bring something back to their home country. What they bring back is economic and culture knowledge and these deliver extra savings, savings in terms of sending money, not only remittances but also when they work abroad they save money in their home country. For example money that is invested in the Netherlands is invested by Dutch people abroad, or money that is invested in the Netherlands is earned by Dutch people abroad. Another example in the case of Turkey, more than half of the investments in Turkey is paid by what Turkish people earn in Germany. If you don’t have Turkish people living in Germany then Turkey won’t receive the money either. If you have people outside your home country then this will promote trade, and the benefit to acquire the economic knowledge of people. With savings, this leads to investments from abroad into the Netherlands. (Kolodziejak, 2013)

Companies/Multinationals

Through examining a company including multinationals and observing what happens (internally) inside the company, whether they have links with the Netherlands is another indicator to consider. (Dalen, 2013) . Dirk Wolfson, suggested that Large multinationals and sometimes medium-sized companies send people to solicit orders abroad or to build experience where they later in the Netherlands can use. For example, Shell and Unilever. In addition, the media (TV, radio, major newspapers) send correspondents abroad, as long as this meets their expectations in "earnings" but that is a small category.

There are countries which indicate that multinationals are not very important but for the Netherlands it is very important since they operate many multinationals. A way to measure how Dutch people abroad contribute to the Netherlands in this indicator is by first selecting a multinational corporation. For example Shell, the next step would be to find out how many non-Dutch people live and work in the Netherlands for Shell and how many Dutch people live and work for Shell outside the Netherlands and then measure if there is a link or correlation, can Shell operate without these people? (Beek, 2013)

At the moment the Dutch active companies abroad produce on behalf of all countries. For example; If a company goes to Egypt, the fact is that the company has become an Egyptian company unless you export extra, the question is whether as a country, you will take all the production out of the Netherlands and replace it in Egypt. When a company opens a branch in a different country that is the relocating of economic activities. If Dutch companies are expanding around the whole world
doing business then this is of course related to trade. Trade is much more favorable for the Netherlands than relocations of companies. Though if Dutch companies abroad need Dutch people, on a long term for example; Stamicarbon makes factories all over the world and has made some in Egypt but now, a large Egyptian company OCI has taken over or purchased the whole melamine and agriculture business from DSM. This was favorable for the Netherlands because they wanted to specialize more in the pharmaceutical industry so they provided them with the money and they were able to move on. Dutch companies can be an indicator but only in the start phase as Dutch companies that want to deal with trade.

A lot of American companies that have invested in the Netherlands are companies that are dependent on Dutch people and these in turn want to do something with the Netherlands. In order to assess the relation of Dutch people abroad by using this indicator, the focus should be on Dutch Multinationals and Dutch activities abroad. Businesses lead to knowledge transfer and increase in trade (of Dutch origin) and plays a role abroad of strengthening Dutch multinationals. (Kolodziejak, 2013)

According to Sweder van Wijbergen Dutch people who live abroad have a lot to do with two economic indicators: multinational or international companies and foreign investment. The contribution of Dutch companies that operate abroad can be found in the national accounts, this describes how much per year is transferred or paid for example to investment income (which is stated in the statistics). This is high in the Netherlands and the Netherlands earns a lot from foreign countries (international trade and investment).

For years the Netherlands has a surplus on the current account. On a national level, the money that is invested from abroad is high for the Netherlands, this means that foreign investments are becoming more important but this is substantial since the Netherlands invests largely abroad. Dutch companies abroad provides a lot to the Netherlands and derived from that is the value of Dutch people abroad. The majority of Dutch people who work abroad excluding ambassadors, work with multinational companies and also some of them have multinational companies that are active abroad from the Netherlands. Of course, there are some Dutch people who work abroad for a foreign company that operates in the Netherlands. The interrelationship with Dutch companies is of course the one who is active and puts effort and that is a big number. Dutch people abroad play an important role simply because multinationals or international companies play a very important role for the Netherlands.

About 20 percent of all investments in the Netherlands are made by foreign companies, which is quite high. This has to do a lot with the interrelation of the Dutch economy with the rest of the world and as part of that, the Dutch have to work across the borders or else this would not exist. When a foreign company expands to the Netherlands, they would want to employ local staff but they will occasionally want to talk with them and train them and this would be one of the conditions for the Dutch willingness to work abroad in order to have an international active business. However, the influences seems to bigger than collecting statistics and data from direct figures. This kind of information consists of figures on how many people work, how much money they transfer and this wouldn’t be very large. In different countries it would be greater, you have people working in the Gulf region who transfer money to their family at home also known as remittances. This does not occur much in the Netherlands ,it does not really exist here, may be vice versa Moroccans who work here and send money back to Morocco but Dutch people who send back money does not occur often. The majority of foreigners working abroad are settled with a family.

It is important to look at the income of foreign investments and percentages of foreigners which make up 20 percent of the Netherlands total investments (foreign companies). About 20 percent of all investments in the Netherlands are done by foreigners and Dutch people abroad are part of it because if you want to establish a company in the Netherlands and want to be active in a different country, it is inevitable that Dutch people are needed during the process. Such a company does not remain completely nationally limited so the mobility of Dutch people abroad is interrelated and necessary to benefit from international business.
If a Dutch citizen is abroad for more than 187 days then they will not pay taxes in the Netherlands so that is not a contribution. However the contribution is directed with international companies because they do pay taxes in the Netherlands. In 2012, there was a Dutch man who worked as CFO of Procter & Gamble, one of the largest companies in the World, this eventually contributes to the Netherlands. The relations with the Netherlands strengthens more, companies will invest more in the Netherlands maybe other Dutch people will run higher income jobs who return to the Netherlands and retire. There are a lot of indirect ties that give all benefits. (Wijnbergen, 2013)

Investment/FDI

This indicator is similar to the previous indicator discussed. As stated by different experts, it is vital to assess the foreign direct investment of the Netherlands. By looking at the statistics of the Dutch foreign direct investment, it can be possible to find out the origin of the investments. This can then determine how much is invested by Dutch people abroad. (Dalen, 2013) Foreign direct investment is also very important and having strong relationships with different countries is part of it. Building relationships is important because you have to do some certain things together, for example if you want to build a channel tunnel then you cannot accomplish this if France has a quarrel with the UK. (Beek, 2013)

People who transfer money is economically seen as a statistic or indicator and this is to be found in the National accounts or statistics of the IMF (the Netherlands has a surplus on the current accounts, this indicates what the Netherlands actually receives in the balance from abroad). The Netherlands receives a lot of money from abroad because a lot of Dutch people who have often been abroad, they also invested there and from the investment you get money. The Netherlands will only receive money if people go abroad or they get a pension(for example if a Dutch citizen goes to Frankfurt and receives a pension, this will be paid to the Netherlands and the Netherlands gets the money and this can be used to get other goods). In other words a concrete indicator is the income surplus which is money. (Kolodziejak, 2013)

The Netherlands earns a lot from foreign countries in terms of international trade and investment as 20 percent of the total investments in the Netherlands are received from foreign companies which is relatively high and Dutch people abroad are part of it. The balance of payments which CBS collects shows how much is earned from abroad in different categories. This indicator should focus on all different types of investments including portfolio investments (the difference between the GDP and the GNP is the income from investment from abroad, that would be approximately billion annually). This data can be collected from statistic institutions, namely CBS. (Wijnbergen, 2013)

Students

Dirk Wolfson and Andre Kolodziejak suggest that students is a potential indicator. For example students who have studied for a while abroad return to the Netherlands and add (extra) value. The Dutch ministry of Education, Culture and Science (OCW) collect such information such as how many Dutch students study abroad and how many foreigners study in Holland at the expense of the Netherlands.

The Netherlands Bureau for Economic Policy Analysis (CPB) published a study on the economic
effects of internationalization in higher education. The study indicates that an international market for higher education increases the choices for Dutch students. Students will have more opportunities to choose the study that best suits their needs creating a better match between students and educational institutions. Through mobility of labor this can indirectly lead to more efficient allocation of highly skilled employees over the time. Moreover, this leads to the expansion of choices as well as competition between educational institutions although this can improve the quality of education. In addition, an increased competition through specialization and greater variety in training and education contributes to prosperity. The internationalization in higher education brings mostly positive economic effects; effects of a more open market such as increased competition between institutions and better matches between students and courses. The other effect is a more international composition of student population such as the acquisition of multicultural skills, cross-border spill over and the strengthening of trade relations. (CPB, 2012)

Policy

The influence of economic policy in favor of the Netherlands is actually an important indicator but this is difficult to measure unless it is a methodological issue. Eventually if one wants to measure how Dutch people in the Netherlands contribute, the fact that someone provides a subsidy for a foundation that works for the Netherlands abroad, that is a sort of output and this can be used as a kind of proxy. The number of children in German schools is an indicator for the influence of foreign policy in Germany. The influence of economic policy is probably not so direct. Officials in the European Commission would focus more on subsidies of Dutch people for the Netherlands as an indicator that influences economic policy. The moment the Netherlands has someone like Geert Wilders, the positive factors increasing the Dutch people abroad will go lower and the negative factors will go higher. As a consequence, Dutch people abroad will decrease and other examples such as constraining European schools or Dutch foundations in Paris, constraining Dutch education abroad, Dutch people in the Netherlands will immediately lose their German delegation and less people would want to go to Germany and this will immediately effect economic policy and as a result there will be a negative economic effect.

Knowledge

The importance of sharing or bringing knowledge is a way to examine what Dutch people can bring to the Netherlands. Possessing the knowledge of different cultures and being open for economic culture. The Netherlands has a lot of diversity in its community and cultural knowledge is an important attribute. In order to analyze economic value, the first step is to start analyzing indicators from a micro level and define the environment and then work to analyzing the macro data. (Vollering, 2013)

In terms of knowledge level, if a Dutch citizen has never lived in Spain then this will result to many people in the Netherlands not being familiar with the Spanish language and communication is very important and part of acquiring knowledge. If a Dutch company wants to operate abroad and be active in other markets, it will never succeed if it does not know anyone there or has no employees to work there. Many multinationals have for example a Chinese owner. For example, Shell is a Dutch-English company, if all the Dutch do not want to work in the UK then Shell would never exist. (Beek, 2013)

Economic knowledge is a great importance particularly technical knowledge, economic administrative knowledge, knowledge of machines that the Netherlands can use. It is easy to observe how quite often certain restaurants or businesses in the Netherlands have developed or been inspired by examples from overseas (ex food, culture). A lot of economic knowledge is transferred through people who go abroad and bring knowledge the Netherlands that is very beneficial and this has a causality link. (Kolodziejak, 2013)
Image
Moreover, if a person living abroad is unreliable then the value for their home country is negative because many will have an impression to not get themselves involved with unreliable people. If a specific ethnic group is constantly in the presses that people from that country are causing problems, tourists will most likely not travel to that country. If tourists come to the Netherlands, they need to have an impression that it is comfortable, trustworthy which is a matter of an image issue. Image is vital, for example if Dutch soldiers fight in Afghanistan (Dutch people abroad), their image is completely ruined for part of the Afghans population and on behalf of others it makes their image more admirable. If Dutch people do not fight in Afghanistan then their friendship with the United States will collapse, it is often a political question. If you the Netherlands chooses whether to go on a mission to Afghanistan, the US will put pressure on the country so the value in this will lead to difficult ties. (Beek, 2013)

Influence on image is also an essential indicator because the country will need less advertisement. For example if the Netherlands wants to export yoghurt to Germany, it will be convenient if many Dutch people live there that demand for the Dutch yoghurt and spread a good word of mouth amongst the Germans. This will boost the image of certain products for the Netherlands thus promoting more trade. (Kolodziejak, 2013)

Tourism
The fact that Dutch people move across borders or live in different countries attracts tourism to the Netherlands. Tourism also increases in the Netherlands when Dutch people go on holidays to different destinations. Many Dutch people regularly leave to France and set up camping trips. This means that in France, Dutch products are being purchased. Dutch citizens there still remain Dutch orientated and if they need something for camping one of them might know a contact by which they can get their products or they may want to buy products from the Netherlands thus increasing trade. Economic knowledge can also be used when people return back to the Netherlands which leads to cost savings. (Kolodziejak, 2013)

From all the indicators that are collected from both empirical studies and interviews, there are a few correlations between the indicators. As suggested by Kolodziejak, Dutch people abroad may have an influence on indicators such as trade, knowledge and money transfer. It can be possible that there is high correlation between trade and businesses or companies that it won’t matter whether to measure either of these indicators because it will actually be the same effect with measuring it. Whilst subsidies for Dutch people and the transfer of money from abroad are absolutely different indicators.

There is of course a possibility that some Dutch people abroad have a negative value, so measuring both negative and positive effects is important. Some indicators cannot be measured directly, what can be measured directly is: income surplus, transfer of money to the Netherlands, how much money flows from abroad to the Netherlands (this can only occur when Dutch people are abroad). Some of the positive effects from the economic indicators are higher incomes, lower prices and employment and some indicators provide a more indirect link. For example if you are granted a scholarship, it is a benefit but not an immediate benefit.

Furthermore, Kolodziejak explains his logic as he continues his comment on the effect of Dutch people abroad. If Dutch people outside the Netherlands are beneficial for the Netherlands (or if you want to achieve this) then some certain measures need to be taken, that can be positive measures and negative measures. Negative measures should certainly be avoided and positive measures should be
enforced. This will then lead to Dutch people crossing borders or going abroad for the Netherlands and can better fulfill their role there and as a result the Netherlands profits. As for Dutch people living abroad, there are factors that affect the growth or increasing number of Dutch people abroad and there are factors that decrease the number of Dutch people abroad. The problem with all indicators is that they cannot be easily collected from general statistics. A way of researching the indicators more is to track it through surveys that can be carried out by statistic organizations.

Referring to the model above, this is the outcome of the possible economic indicators that can be considered to assess Dutch people abroad. On the left side, the positive and negative (+ and -) signs imply the factors that can influence or reinforce Dutch people to go abroad and it can also indicate the negative and positive effects of the presence of Dutch people abroad. The section of Dutch people abroad indicates the target group necessary to realizing the research. The causal relationship for all the indicators means that some indicators are related to each other and therefore there is no need to actually measure every indicator separately. Eventually the economic value represents the outcome on what Dutch people abroad can contribute to the Netherlands. If we determine how these indicators can add value to the Dutch economy, the causal relationships can be identified by how Dutch people abroad is part of it:

1. Trade flows: Dutch people abroad leads to market information share, more trust, enforcement of trade contracts, lower transaction costs and decreasing costs of negotiating contracts. Lower barriers to communication, knowledge which reduces information costs, increase in
trade opportunities, increase in consumption opportunities and eventually leads to the value of increasing import and export flows for the Netherlands.

2. Networks: the value for the Netherlands of ethnic Dutch business and social networks is in the promotion and increase in international trade and investments. Through reducing informal barriers such as information exchange that helps connects buyers and sellers in the international market, reduce costs such as language, travel and communications costs. Networks help prevent and reduce violations of contracts and lowers investment barriers.

3. Knowledge: Lower costs, competitive advantage in firms and increase in trade opportunities.

4. International Dutch companies/Multinationals: value is eventually created through investments and increase in trade. Knowledge transfer may also be a part of this.

5. Transfer of money: Investments from abroad to the Netherlands leads to a value of earnings for the economy and savings through the income of the Netherlands.

6. Economic policy: the actions taken for maintaining economic growth for the Netherlands, when the policy is influenced in the Netherlands to discourage Dutch people going abroad, it leads to a negative economic affect. This may however not be a measurable indicator.

7. Tourism: The presence of Dutch people abroad promotes tourism to the Netherlands and the value is contributed to the income from the tourism industry.

8. Image: Less advertisement and good reputation which boosts the promotion of trade.

9. Dutch students: Opportunities to study choices, allocation of highly skilled employees, improvement in the quality of education and hence the value is prosperity, open market and the strengthening of trade relations.

Some of these indicators may be sub-indicators to the general indicators and could possible have a more causal relationship. The following indicators: Networks, knowledge and Image can be considered as sub-indicators for Trade flows or perhaps target groups. The indicator transfer of money consists of two elements namely remittances and investment (FDI), remittances is a separate indicator although investment complements the indicator of Dutch companies.

In order to provide recommendations on the economic indicators, the grid analysis will be applied. This tool is very powerful when there is a number of good alternatives and factors to take into account. The analysis is used to evaluate and organize the indicators in order of relevance to this research.

The indicators below are listed as options and the factors that are considered in the column headings.

Factors:
- Compelling: interesting, the power of the indicator and suggestive of effective action, the indicator should comply with intended audience
- Measurable: indicator should reflect the phenomenon that is aimed to measure
- Verifiable: the indicator should be valid and verified by experts and empirical findings
- Direct link: the link to how the indicator is consistent to assessing the Dutch economy
- Value: the affect of the indicator on the outcome (OECD)

The scores for every indicator is based on every factor as mentioned above. The score for the indicators is from 0 (poor) to 5 (very good).
After the indicators were assessed, the next step is to give scores on the importance of the factors. The score for the factors is from 0 (absolutely unimportant) to 5 (very important), this is indicated in the Weights section. For the score of every indicator entered in the table on the previous page, it is multiplied by the value for each relatively important factor (Option X Weight). The last step as shown in the table below is to add the weighted scores for all the options. As a result, the options that are scored the highest are determined in order of importance.

<table>
<thead>
<tr>
<th>Factors:</th>
<th>Compelling</th>
<th>Measurable</th>
<th>Verifiable</th>
<th>Direct link</th>
<th>Value</th>
<th>Total</th>
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<tr>
<td>Weight:</td>
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<td>15</td>
<td>25</td>
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<td>20</td>
<td>3</td>
<td>25</td>
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<tr>
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<td>4</td>
<td>5</td>
<td>3</td>
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<td>10</td>
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<td>9</td>
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<td>70</td>
</tr>
</tbody>
</table>

The result of the scores on the indicators, show which indicators should be focus on. The following shows the indicators in accordance to its importance of this research:

1. Trade
2. Transfer of money
3. Dutch international companies
4. Dutch students
5. Knowledge
6. Networks
7. Image
8. Tourism
9. Policy
The top three relatively important indicators for this research is trade, transfer of money and Dutch international companies. However, this does not mean that all the other indicators are not important. Some of the indicators such as Knowledge, Networks and Image as empirically proven are sub-indicators and indirectly linked to contributing to the Dutch economy. These determinants can be more related to the indicator Trade. Tourism and Policy are can also be sub-indicators or perhaps determinants although little is known about this.
CHAPTER 5 | CONCLUSIONS & RECOMMENDATIONS

This chapter presents the conclusions based on the research questions and then the recommendations will be finally given.

5.1 Conclusions

To my knowledge, this paper is the first attempt to analyze how the Dutch people abroad add value to the Dutch economy. This report presented and analyzed the steps on how to assess the value of Dutch people abroad for the Netherlands constructing it in an implementation plan. The main source of this report were the interviews with Economic experts and in addition the empirical studies proved and confirmed many of the given opinions of experts. The social issue behind this research is to prove the necessity of any Dutch citizen who cross borders. In all interviews, all Economic experts agreed that there is a genuine value of Dutch people abroad, as an outcome of these findings, it can be concluded that there is a very high and a most definite contingency that Dutch people abroad add value to the Dutch economy and this report was designed on how to research this based on sub-questions for three main research questions.

5.1.1 Conclusion per research theme

Based on the Ishikawa diagram that was created for this research, the four main causes: Definition recognition, target group, performance indicators and method lead to the implementation plan of this research. The Definition recognition implies the concept of economic value of Dutch people abroad for the Dutch economy. The target group of the research is narrowed down and divided into possible groups for “Dutch people abroad”. The method described the empirical findings and ways that is used to measure this research and the Performance indicators reflected the indicators to be measured.

RQ1 How is economic value defined in relation to the research?
Before executing this plan, it is as foremost important to define the value (economic) because this term has different meanings. When the economic value is defined into a phrase, it will have a precise meaning for the concept of the research. There is also a possibility that the economic value of Dutch people abroad can give either a negative or a positive value because we don’t know how big the value of Dutch people are and what the effect is on the Dutch economy. Therefore, economic value in relation to this research is defined as:
1. Assuming that Dutch people abroad contribute positively: “The economic value of Dutch people abroad is the factors that contribute additionally to the Dutch GDP.”

RQ2 What are the target group indicators?
The next step is defining the target group namely: Dutch people abroad. This is a very broad group and it is crucial to narrow it down to conduct this plan. The target groups selected should be evaluated accordingly to the objectives of the company and its capabilities and resources. The target groups that should be considered are divided into five different categories: Dutch emigrants, Dutch expats, Dutch ethnic networks, Dutch international companies and Dutch students (abroad). It is most certain that this research cannot be carried out if the geographic location of the chosen target group is not defined. The following options of geographic locations should be taken into consideration: the important trade partners per continent of the Netherlands, the sample of 63 countries by Frankel (1997) and the top ten important trade partners of the Netherlands. In addition, the list of countries are to be evaluated on a bilateral front and from this, the overall affect is extracted.
RQ3 How can Dutch people abroad contribute to the Dutch economy?
The last step is to identify the indicators to measure for this research. All the named indicators may not cover all the indicators related to Dutch people living abroad and their connection to their home country but they are the most important and common indicators proven in empirical studies and suggested by Economic experts. Indicators that can provide value are: trade, transfer of money, Dutch international companies and Dutch students abroad. Other indicators that were suggested, knowledge, networks, image, tourism and policy are important but they are considered more as sub-indicators.
The first three mentioned indicators consider to have a direct link to the Dutch economy as the methods to evaluate trade can be used and data can be collected from statistics on the transfer of money and Dutch international companies. Dutch students who study abroad do have an economic value for the Netherlands but more indirectly and on a longer term. However, there are particular barriers that should be taken into account as it may be possible that there is a high correlation between two or more indicators that it won’t matter whether you measure either one of them because you will actually have a same effect with measuring it. The empirical studies has shown that the so called sub-indicators namely knowledge, networks and image (trust) is used as determinants in trade rather than an indicator. However, the way tourism and policy can be measured for this research is difficult to determine because the focus are on other greater indicators that influence the Dutch economy.

5.2 Recommendations

This report gives guidance on how and what to look at when conducting such a study. Recommendations are given on how to assess the value of Dutch people abroad on the Dutch economy. The main recommendation is to use this implementation plan to help D66 to evaluate their own capabilities and goals as they conduct this research.

5.2.1 Recommendations per research theme

1. Formulate whether to analyze positive value on the Dutch economy or both negative and positive and apply the constructed definitions of economic value.

2. Target marketing model suggested several options for the target group, select the country(ies) and (or) the target group that will be focused on.

3. Whilst analyzing the economic indicators on grounds of interviews from experts and empirical studies, the most important indicators that can be measured are: trade, transfer of money and Dutch international companies. It is advisable to construct an intervention logic for all the indicators since there may be a causal relationship between two or more indicators in order to demonstrate that other indicators are not being ignored. By doing so, you will be able to identify causal explanations and the main effects for this implementation plan.

Moreover, the three identified indicators have yielded a very high score from the grid analysis (decision making analysis). Based on the importance of the factors the indicators were scored on, trade, transfer of money and Dutch international have proven to be effective, measurable, verifiable and has a direct link to the implementation plan and a possible value for the Dutch economy. It is recommended to structure and manage the ways to approach these indicators. First international trade is an important driver for the Dutch economy, this can be achieved by either replicating the studies of Rauch and Trindade (2002) or David M. Gould (1994) by using their gravity model and adjusting it to the specifications of the Netherlands. For this method, the target group is first selected and then it is effective to select either all important trade countries of the Netherlands or the list suggested by Frankel (1997) in order to recognize the overall value of Dutch people abroad for the
Dutch GDP. Another suggested approach for this indicator is to follow the Five-step model of assessing the contribution of Dutch people abroad for the Netherlands. By first selecting the top ten most important trading countries of the Netherlands then identify the total population of Dutch citizens in each country followed by the countries with the highest number of votes. By doing so, this allows you to find where Dutch people may be active abroad and still participating in Dutch parliamentary elections and can suggest a pattern with the top trading partners of the Netherlands. After this is achieved, it is recommended to study and evaluate the countries on a bilateral front, this way you will have a clear detailed analysis for what Dutch people in every country add to the Netherlands and finally identify relations.

The second indicator transfer of money, for Dutch people abroad who send remittances to the Netherlands or investments, it is advisable to track the origin of the remittances and investments flowing into the Netherlands.

The Netherlands has a world reputation of international companies. To approach this indicator, it is advisable to use a business case by selecting one or more Dutch multinational corporations then analyze the input or role of Dutch people. Inward foreign direct investment for the Netherlands is influenced by the presence of Dutch people abroad since they can promote countries to invest more in the Netherlands. It is also important to understand and study the effect of investments in the Netherlands because this leads to business establishments, employment and eventually income.

By following these recommendations indicators, the following suggestions should be taken into consideration:

- Classify an extensive duration of time in order to determine the value of Dutch people on the Dutch economy for a specific year(s).
- Track the importance of these indicators through surveys of Dutch people abroad in order to grasp the opinions of the target group and to test the results. For example which indicators do they think is relatively important or how do they contribute to the Dutch economy.
- The Grid analysis where the indicators are compared to each other can solve the problem of certain barriers such as which indicator to focus and its relative importance and evaluating to what extent some indicators measure the same concept.

5.3 Chapter summary

The report investigated a topic from which little is known internationally and rather unknown for the Netherlands. The assessment on the value of Dutch people abroad on the Dutch economy show that it is possible to conduct such a research although due to its complexity as suggested by Economic experts it did not get enough attention. However, this implementation plan has simplified the research into three main classifications: Definition of economic value, Selection of target groups, Identification of economic indicators. By following these steps and suggestions, it will guide the researcher on the important areas to look at and what to consider as well. This will determine whether there is real economic value for the Dutch economy and how big the economic value is. However it is most highly that Dutch people abroad add value to the Dutch economy but it’s not yet proven and the size of economic value of Dutch people abroad on the Dutch economy is also unknown.

The relative economic indicators according to their involvement and importance for the research are: Trade, transfer of money and Dutch international companies. In addition, if research is done properly for the trade indicator according to this implementation plan, then there is a possibility to prove that Dutch people abroad can optimize trade flows. The indicator, Networks is considered a target group rather than an indicator. (There is a study conducted on the economic impact of Dutch students abroad on the Dutch economy).

From empirical studies, the economic indicators: knowledge and image (trust) are considered as determinants of trade. In addition Tourism and policy, D66 needs to take in consideration these four
indicators because they lack many factors and therefore, more research should be done for this.

A very interesting suggestion to consider when conducting this research is to conceptualize if Dutch people did not cross borders or if they were not abroad, what would happen to the Dutch economy? It is always important for a country to do its best to improve its country and by any means source of income is always a value to the economy.
CHAPTER 6 REFLECTION

This chapter presents the reflection of the IBMS competencies and how these competencies have been applied. The competencies refer to the skilled performance in professional practice.

6.1 Reflection on the competencies

<table>
<thead>
<tr>
<th>Professional Competencies</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Applicability to Research Subject</th>
<th>Coaching Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. International Business Competencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Business Awareness</td>
<td>X</td>
<td></td>
<td></td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>This research has definitely showed me the aspect of a social issue and I had the ability to evaluate patterns and trends in international business activity of Dutch people abroad. Other important factors that were considered in this research is the international trade system and the role of internationalization and international institutions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercultural competence</td>
<td>X</td>
<td></td>
<td></td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>I am fully aware of different cultures whether with communication or business. I am able to easily adapt to different surroundings, recognize and accept the concepts in perception. Specially after the experience in the field of economics/politics and business I was able to develop and improve the intercultural communication.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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II. General Management Competencies

<table>
<thead>
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<th>International Strategic Vision Development</th>
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<th></th>
<th>Medium</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to the complexity of the topic of this research, I am very pleased that I had the ability to perform my conceptual and visionary skills to the organization and providing advice.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Processes &amp; change management</td>
<td>X</td>
<td></td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>For this research, it was important to analyze the complex issue and give solutions. I showed my ability to analyze this and to prepare objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Management</td>
<td>X</td>
<td></td>
<td>Low</td>
<td>No</td>
</tr>
<tr>
<td>Setting up an implementation plan for a complex issue showed my entrepreneurial potential. This has helped me to take initiative in a consultancy approach.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

By

III. Functional Key-Areas Competencies

<table>
<thead>
<tr>
<th>International marketing and sales management</th>
<th>X</th>
<th></th>
<th>Low</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of the main focus point in this research was identifying the target group at an international level. With this implementation plan, I was able to use my marketing skills into this research.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International supply chain management</td>
<td>X</td>
<td></td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>Even though this area has not had its focus during my studies, I learned from this research that a way to optimize trade flows (export and import) is through people who cross borders.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Finance and accounting</td>
<td>X</td>
<td></td>
<td>Low</td>
<td>No</td>
</tr>
<tr>
<td>As the topic of the research was a more social issue, and took more of a consultancy approach in a form of advice, finance was not applicable. Although I definitely improved and practised my Economic skills in this research. In addition I do possess the necessary skill because I have experience in performing key accounting summaries and perform cost and revenue calculations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International human</td>
<td>X</td>
<td></td>
<td>None</td>
<td>No</td>
</tr>
</tbody>
</table>
I have already acquired my HRM capabilities and skills as I have followed courses at school and I have started the working experience in this field after my previous internship at Michael Page.

<table>
<thead>
<tr>
<th>Generic Competencies</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Applicability to Research Subject</th>
<th>Coaching Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td></td>
<td>X</td>
<td>Low</td>
<td>Low</td>
<td>No</td>
</tr>
<tr>
<td>Co-operation</td>
<td></td>
<td>X</td>
<td>High</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Business Communication</td>
<td></td>
<td>X</td>
<td>High</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>English</td>
<td></td>
<td></td>
<td></td>
<td>English</td>
<td>No</td>
</tr>
</tbody>
</table>

I always prefer to take a leadership role in groups but one of the main reasons is getting things done. I enjoy working in groups and during this project I worked with two other co-workers and I showed great ability to take initiative and motivation.

<table>
<thead>
<tr>
<th>I. International Business Competencies</th>
</tr>
</thead>
</table>

I enjoy working with other people and helping as well as problem solving. I believe working and helping others just makes me as a person better in life. Throughout my years at RBS I actively contributed to all results of a group. During this project, I was very active in involving myself to get the necessary product done with my co-workers for the political manifesto.

English has never been a problem for me as I can perfectly express myself fluently.

<table>
<thead>
<tr>
<th>Task-oriented competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business research methods</td>
</tr>
<tr>
<td>Planning and organising</td>
</tr>
</tbody>
</table>

Throughout the years at RBS, I learned a lot and was able to apply scientific insights, theories and concepts to draw conclusions in a methodical manner. This graduation assignment as really helped me to develop more by identifying relevant scientific insights and collecting data.

Planning and organizing is not an issue for me because even though it may sometimes go wrong, I quickly stand on my feet and make sure I recover.

<table>
<thead>
<tr>
<th>Intra-personal competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning and self-development</td>
</tr>
</tbody>
</table>

Knowing my own flaws, strengths or weaknesses is always important to me. If I do not take it seriously or evaluate it myself then I would be really lost, it is part of self-development and always growing to your best.

<table>
<thead>
<tr>
<th>Ethical and corporate responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
</tr>
</tbody>
</table>

Ethical behaviour is a matter I take strictly seriously. Ethical issues and norms is always a responsibility and acting ethical is something I can only live with.
6.2 Lessons learned throughout the process

The topic of this thesis was very challenging and resulted in some delays in time management. However, I am very proud to have taken this chance to prove my ability and knowledge. I have learned so incredibly much as it has resulted the best in improving my competencies.

- Evaluating and stratifying the necessary and important secondary data.
- Selecting the necessary interviewees that meet the objectives and collecting data.
- Taking initiative during the process.
- Since communication was an obstacle because the assigner was located in a different country, in today’s world email has become an important tool of communication.
- The competencies mentioned above has been incorporated into the project which has strengthened the skills.
- The main lesson learned is constructing an implementation plan and because it was organized in a way of advice and recommendations through the help of business research methods.

6.3 Improvement points

- Before starting this project, the topic was not very manageable and therefore an improving point could be planning.
- Time was an obstacle because the project of the graduation assignment was split into two projects.

6.4 Eligibility BBA degree

I am a very ambitious person and my learning years at IBMS brought the best out of me. I have demonstrated knowledge and understanding through my professional approach by providing quality work, valuable arguments and solving problems. Moreover, I have applied the ability to using sources such as scholar books, empirical studies, journals and I am able to reference and stratify their importance. By interpreting relevant data in the area I tend to research, I was able to make judgments and necessary recommendations. Communication is a foundation for leading and organizing common objectives and goals and I have developed myself to exchanging and communicating information, ideas and solutions with all kinds of persons. The previous internships, working with different people in groups and presentations has lead me to adapt myself into unfamiliar environments and using my knowledge and understanding in problem solving abilities. This project has tested my independency and improved my ability to handle complex problems and formulate judgments and I believe I fulfilled my role as an advisor by performing this task to the client. My initiative and contribution, I applied my acquired knowledge and skills from IBMS into clearly describing the results of my research. Moreover, ethical and social responsibilities is vital in any working environment and as a matter of fact in the way of living and I find myself behaving in a socially and professionally acceptable manner.

6.5 Chapter summary

The assessment on the reflection of the competencies were discussed in order to determine the applicability of these competencies. It can be concluded that the skilled performance and attained knowledge is applicable in professional practice. By professional practice such as the project of this research, it enabled me to use the practical value I attained from the University and I have demonstrated that have attained the level of competence for my profession mainly Marketing and Economics.
Bibliography

Interviews


Empirical studies


Books


Websites


Wijnbergen, S. v. (2013, June 28). Economist and Professor at the University of Amsterdam. (S. Shahin, Interviewer) Amsterdam, Netherlands.


**Articles**


Appendix

Appendix I: Target Group

Full list of the important trade partners per continent of the Netherlands (45 countries)

2013: Belangrijkste handelspartners van Nederland
In de publicatie “Belangrijkste handelspartners van Nederland” wordt de goederenhandel van Nederland met 45 landen beschreven. Het gaat hierbij om de belangrijkste handelspartners per continent.

Argentina: lichte toename invoer
Australië: aandeel in goedereninvoer iets toegenomen
België: stvier op tweede plaats
Brazilië: forse toename handel
Bulgarije: weinig goederenhandel
China: uitvoer blijft stijgen; invoer nagenoeg gelijk
Denemarken: invoer in 2011 flink gestegen
Duitsland: vooral aandeel invoer loopt terug
Estland: handel blijft beperkt van omvang
Finland: goederenhandel naar record
Frankrijk: aandeel in wijnimport toegenomen
Griekenland: export voor derde jaar op rij gedaald
Hongarije: uitvoer flink gestegen
Hongkong: uitvoer blijft stijgen
Ierland: importgroei zet door
India: goederenhandel stijgt met 9 procent
Indonesië: handel groeit in 2011
Iran: invoer meer dan gehalveerd
Italië: overschot handelsbalans gestegen
Japan: invoer vooral machines
Koeweit: invoer is bijna geheel ruwe aardolie
Letland: meer gasolie ingevoerd
Litouwen: meer aardolieproducten ingevoerd
Maleisië: minder handel in 2011
Nigeria: ruwe aardolie stuw in invoer omhoog
Norwegen: handelstekort naar 7 miljard euro
Oostenrijk: uitvoer minder sterk gestegen
Polen: uitvoer stijgt harder dan invoer
Portugal: uitvoer daalt en invoer stijgt
Republiek Korea: handelsoverschot toegenomen
Roemenië: invoer stijgt met een kwart
Russische Federatie: olieprijs bepaalt invoerstijging
Saoedi-Arabië: olie-import flink gestegen in 2011
Singapore: handel in 2011 gedaald
Slowakije: import televisies gedaald
Spanje: goederenhandel in de min
Taiwan: goederenhandel in de min
Thailand: minder invoer in 2011
Tsjechië: goederenhandel blijft stijgen
Turkije: opnieuw toename handel
Verenigd Koninkrijk: invoer ruwe olie de helft minder
VS van Amerika: wederom forse stijging uitvoer
Zuid-Afrika: invoer stabiel en export stijgt
Zweden: invoer stijgt meer dan gemiddeld
Zwitserland: invoer stijgt; uitvoer daalt


*Sample of 63 countries by Frankel (1997) used by Rauch and Trindade in their empirical findings*
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</thead>
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Appendix II: Interview Transcripts

Interview Economist and professor at Tilburg University

Date: 25th June 2013
Type: Telephone Interview
Interviewee: Prof. Dr. H.P (Harry) van Dalen

The purpose for the interviews was to find out the perspective of (economic) experts and professors on how to assess the economic value of Dutch citizens abroad for the Dutch economy. In the introduction of the interview, the goal is presented which was to attain the perspective interviewees. Based on the outcome of the interviews and empirical findings, recommendations will be given.

1. How would you evaluate this research?

Harry van Dalen: I would look at the contribution of emigrants from the Netherlands. Also the importance of networks of international trade. These lead us to the following questions such as, what is the importance of networking? Who is abroad? Pension holders? Buying businesses in the Netherlands?

The importance of networks in international trade include trade flows \( \rightarrow \) export & import, so for example, by looking at the substantial amount of Dutch people living in Turkey, they can possibly form a link by providing export opportunities for the Netherlands, so by exporting or importing products to the Netherlands and from the Netherlands. Some statistics can give either a direct or indirect indication for concrete information. Statistics on export and import is more indirect. By making a list of countries the Netherlands trades with and then find out the total population of each country and see if there is a link.

\( \rightarrow \) Turkish citizens who for example return to Turkey may export and import and by doing so, it realizes economic value.

\( \rightarrow \) Look for example at Dutch companies and the country of origin

There are also connections between migrants and country of origin and perhaps the money that they send back to the Netherlands.

You can also examine a company and observe what happens (internally) inside the company, whether they have links with the Netherlands, also considering multinationals.

2. Which economic indicators can describe that Dutch citizens abroad contribute to economic value for the Netherlands?

Harry van Dalen:
- Micro-research and Macro-research \( \rightarrow \) great links can be found here
- Export & Import statistics
- Foreign direct investment, with this indicator you can perhaps find out the origin of the investments, there are perhaps scientific publications.
- Company or business statistics

4. Who are the possible target groups?
Harry van Dalen: Dutch citizens is a big term, there are different variables in order to approach it. OECD gives an overview of emigration and the returned migrants. I think the closest link would possibly be Migrants.
- Determine whether the company is Dutch or owned by the local population.
- Expats are adventurous people, but it is in itself a value for the Netherlands.

5. Is there a link or relationship between Dutch citizens abroad and their added value towards the Dutch economy?

Harry van Dalen: The link does exist on an international level but the study does not exist for the Netherlands, however I do most definitely suspect that there is a link.

6. What available source of information or additional sources would you suggest to study?

Harry van Dalen: Reports that are focused on migration perform these kind of studies. There are specialized economic articles on migration. I will send you the empirical studies (literature) that I recommended you to look at.
1. How would you evaluate this research?

Ans Vollering: The importance of sharing or bringing knowledge is a way to examine it. Possessing the knowledge of different cultures and being open for economic culture. The Netherlands has a lot of diversity in its community and cultural knowledge is an important attribute. In order to analyze economic value, you will first have to start from a micro level and define the environment and then work your way up to analyzing macro data.

2. Which economic indicators can describe that Dutch citizens abroad contribute to economic value for the Netherlands?

Ans Vollering: Perhaps, trade flows but analyzing trade relations on its own is not enough at all; transfer of money or remittances is another way to evaluate economic indicators. Emigrants who earn well abroad, could for example be in Qatar or Turkey, they will send back money to their home country. That is also an element of how to assess economic value of Dutch people. What emigrants do abroad is send money to their families in the Netherlands, this does add value to our economy but only of course if the money is being consumed or spent. The money will have to be spent which then adds value.

3. How would you define economic value?

Ans Vollering: You will first have to find out the reasons from where economic value can be understood. If you are an expat then you will pay taxes for the Netherlands. I don’t believe that economic value can be realized with taxes from a Dutch company. However, even if you are living or working abroad, you still continue paying taxes to the Netherlands if you have a Dutch labor contract.

Economic value can be described as the gross domestic product, employment and competitiveness (competitive strength). What I mean here with competitiveness is for example if you bring your knowledge from abroad to the Netherlands and you start a Dutch company or you are operating a Dutch company, you will bring knowledge with you from abroad to the Netherlands and this way you are sharing the knowledge by adding more competitive advantage, this will then increase competition and therefore promote strength or power for the Netherlands.

4. Who are the possible target groups?

Ans Vollering: Analyzing emigrants, perhaps I would recommend you to contact an expert in sociology specializing in demographic research, for example the NIDI institution in the Hague.

5. Is there a link or relationship between Dutch citizens abroad and their added value towards the Dutch economy?
Ans Vollering: I believe so, there has not been exact studies but similar studies on emigrants may be of help. However, the question is, is there economic value? Yes I do suspect so but the real question is, how big is the economic value actually?

6. What available source of information or additional sources would you suggest to study?

Ans Vollering: Literature on people emigrating from the country or just immigration is available and a way to assess this research. You can also look at Dutch citizens who possess a dual nationality and assess some of them individually to find out their relations with the Netherlands or analyze any economic value. I would also recommend you to contact the economist Peter Nijkamp who conducted a research on foreign workers.
1. How would you evaluate this research?

Sweder van Wijnbergen: I think that Dutch people who live abroad have a lot to do with multinational companies. It is not easy to find a source that describes that the Dutch national product is higher in consideration with the foreign countries. You can find out the contribution of Dutch companies that operate abroad; this you can find in the national accounts, you can find out how much per year is transferred or paid for example to investment income (which is stated in the statistics. This is high in the Netherlands and the Netherlands earns a lot from foreign countries (international trade and investment).

For years, we have a surplus on the current account. On a national level, we spend less in revenues in relation to the money that is invested from abroad, this means that foreign investments are becoming more important but this is substantial since the Netherlands invests largely abroad. So Dutch companies abroad provide a lot to the Netherlands and I think derived from that is the value of Dutch people abroad. The majority of Dutch people who work abroad excluding ambassadors, work with multinational companies and also some of them have multinational companies that are active abroad from the Netherlands. Of course, some Dutch people who work abroad for a foreign company that operates in the Netherlands. The interrelationship with international business is of course the one who is active and puts effort and I suspect that is a big number. So Dutch people abroad play an important role simply because international business plays a very important role for the Netherlands. This is a useful research and it is good that you are trying to collect data. Data out of the balance of payments can be found at CBS, here it state show much they earn from abroad with different categories. It does not only have to do with direct investments but also portfolio investments, all forms of investments (the difference between bruto binnenlands product and bruto national product is the income from investment from abroad, that would be billion annually). From bruto binnenlands product to bruto nationaal product, this is the step from where you earn money from abroad, also to be found in the statistics.

2. Which economic indicators can describe that Dutch citizens abroad contribute to economic value for the Netherlands?

Sweder van Wijnbergen:
That depends again on international corporations and foreign investment. About 20 percent of all investments in the Netherlands are made by foreign companies, which is quite high. This has to do with the interrelation of the Dutch economy with the rest of the world and as part of that, the Dutch have to work over the borders and that cannot be otherwise. When a foreign company expands to the Netherlands, they would want to employ local staff but they will occasionally want to talk with them and so they will also be learning. So I think this would be one of the conditions for the Dutch willingness to work abroad in order to have an international active business.

You must be careful with collecting data, the influences seems to be bigger than you would find from
direct figures. You will get figures like how many people are work, how much money they transfer, that wouldn’t be very large. In a country like Egypt it would be greater, you have people working in the Gulf region who transfer money to their family at home also known as remittances. This does not occur much in the Netherlands, it does not really exist here, may be vice versa Moroccans who work here and send money back to Morocco but Dutch people who send back money does not appear often, that is just another model. The majority of foreigners working abroad are settled with a family. So if I were to look at figures than I would look at the income of foreign investments and percentages of foreigners which make up 20 percent of our total investments (foreign companies). About 20 percent of all investments in the Netherlands are done by foreigners and Dutch people abroad are part of it because if you want to have a company in the Netherlands and want to be active in a different country, it is inevitable that Dutch people will run throughout the management process. Such a company does not remain completely nationally limited so the mobility of Dutch people abroad is interrelated and necessary to benefit from international business.

If you are abroad for more than 187 days you will not pay taxes here so that is not a contribution. However I see the contribution more with international companies because they do pay taxes here. Until last year, there was a Dutch man who worked as CFO of Procter & Gamble, one of the largest companies in the World that eventually contributes to the Netherlands. The relations with the Netherlands strengthens more, companies will invest more in the Netherlands maybe other Dutch people will run it with higher income jobs who return to the Netherlands and retire. There are a lot of indirect ties that give all benefits.

3. How would you define economic value?

Sweder van Wijnbergen: The benefits and positive impact on the economy. Foreign investment and international companies, which is the major link, where the value comes from.

4. Who are the possible target groups?

Sweder van Wijnbergen: Emigrants, although I think a little less about this because emigrants are anyway not so much, the biggest waves of emigrants occurred after the second World war. Farmers went to Canada because the agribusiness was here expensive whilst in Canada you can buy a huge farm of a province, the same in Eastern Europe and many Dutch farmers went to Eastern Europe. Now you see highly educated people such as people of Turkish origin who you see returning to Turkey because it is going well in their home country and there is still some discrimination here so they are chased away which is unfortunate.

We have a net-migration but it is almost balanced, for example low-skilled people come to the Netherlands and highly skilled people leave the Netherlands, Turks who graduate go back to Turkey. Though the expats, they of course have a great importance for the Dutch economy, due to the fact that they contribute to the integration of international business from which we largely earn our income.

5. Is there a link or relationship between Dutch citizens abroad and their added value towards the Dutch economy?

Sweder van Wijnbergen: Absolutely, certainly.

6. What available source of information or additional sources would you suggest to study?

Sweder van Wijnbergen: This has not been studied because it is difficult. The benefits that are indirect for example, remittances is easier to measure, so if there are 400,000 Egyptians working in Dubai on a construction project, you can actually count how much they draw there and how much they send back
to their family and that should be measured this way. It is difficult to measure the Dutch expats because they are more indirect. I have never done such a research but I do suspect the fact that the integration promotes international business. That would not be easy to do research about, you can look at the international organizations of the Netherlands and its activities abroad which can be found in international economics as foreign operations in the Netherlands. You could look at the percentage of the Total investments made by foreign companies and that is high, which is 20 percent, inward foreign direct investment and it has a lot to do with integration.
1. How would you evaluate this research?

Joël van der Beek: Definition is very important, economic value must be specified in terms of this research and who we should research. It is important to define the target Group because in this research, it is a diverse group. You have groups that don’t fall under your research and you have groups that do, so there is a huge variety.

Would the research focus on for example rich retirees in Spain, or Moroccans with a Dutch nationality, the manager of Heineken in Africa, tax refugees in Belgium, Dutch people in Germany, this should be indeed defined.

It is important to understand the alternatives for the value and for whom is this value? I think that the value of the Netherlands from Dutch people abroad has a national interest. Without the Dutch crossing the borders, you will have no international trade. This does not only consists of drivers or pilots that have to transport the products but also the party who seals the deal or closes the contract and this is very important for trade. A country that isolates itself for example like North Korea which is a poor country and they live with the little trade they do with South Korea.

If you buy something in a foreign country for example souvenirs, that is part of export because you purchase with Euros.

You can also look at it in a different way, for some countries more than half of their population live outside their country. More than half of the Surinamese population live outside Suriname and also Cape Verde survives thanks to the Cape Verdeans who live abroad. People in Cape Verde earn €4 in their country while here they can earn €80 and they send money every year to their home country. Cape Verdeans living abroad is a reason for their country existing. For the Netherlands it is vitally important because if you withdrew all the Dutch outside the Netherlands then everything will stop and slow down very slowly. If the Dutch do not cross borders or if they do not want to take the risk to go to a different country then you will sell nothing. This can also be seen vice-versa, it will be difficult if we want German products so if you want a BMW then you will have to export cheese or else it will not work. So I think that the Dutch abroad is very important.

In addition, if you are unreliable then your value for your home country is negative because I will have an impression to not get myself involved with unreliable people. If you are constantly in the presses that people from that country are causing problems, tourists will most likely not travel to that country. If tourists come to the Netherlands, they need to have an impression that it is comfortable, trustworthy and it is also an image issue.

Foreign direct investment is also very important. You also have to do some certain things together, for example for arranging an appointment about climate, you will need to make several appointments, a good relationship and get people on your side, or if you want to build a channel tunnel then you cannot accomplish this if France has a quarrel with the UK. In terms of knowledge level, if you have never lived in Spain then you will find that many people in the Netherlands will not be familiar with the Spanish language and for your knowledge is communication very important. If I as a company want to operate abroad and be active in other markets, it will never succeed if I don’t know anyone there or if I have no employees to work there. Many multinationals have for example a Chinese owner. Shell a Dutch-English company, if all the Dutch do not want to work in the UK then Shell would never exist.
Here is when one asks what the alternative is?

Image is very important. If Dutch soldiers fight in Afghanistan (Dutch people abroad), your image is completely ruined for part of the Afghans population and on behalf of others it makes your image more admirable. If you do not fight in Afghanistan then your friendship with America will collapse, it is often a political question. If you want to choose whether to go on a mission to Afghanistan, the US will put pressure on that country so what will the value be? Difficult ties.

If you have free movement in the EU then the question is what is abroad? For example, there are Turks who are Dutch, but some of them only interact with Turks, Turkish Food, Turkish work so they live on a kind of island but these people, what is their value for Turkey? This would be relatively large since they import a lot from Turkey but they are Dutch so what is their value for the Netherlands? Economically, I think quite limited because they live on a kind of island and little interaction exists. If these group of Turks move back to Turkey then I think that their relation with the Netherlands is very weak. If you look at the relations of the Dutch abroad for the Netherlands then you will have to really examine the relations. You have relationships that do not represent anything and relationships that do. After the second World War many Dutch people who were busy with wrong doings fled abroad and these are also Dutch people abroad and their economic value is negative.

Looking at the effect of Dutch people on the national product or GDP is a way to look at it. The effect of Dutch on export and their correlations. To evaluate Dutch people abroad for the Netherlands, you can look at countries with which we greatly trade with and then examine the main countries, export as well as import. After, you can find out the population of Dutch people living in that country and how many people from that country lives in the Netherlands. You can then shed light on these relations. Maybe you don’t know the causality of how much Dutch people live in that country and the exports so maybe you export a lot because a lot of Dutch people live in that country or because a lot of Dutch people live there is the reason you export a lot. It can go two ways. If you don’t need to know this then you can come to a conclusion that if there are many Dutch people living there, we regularly export a lot with that country, and also if we regularly export with that country, a lot of Dutch people live there. There are also countries with which you trade export very little or not at all and you will find little to no Dutch people living there.

If you put Spain on your list, you will get a lot of Dutch people who live there but they are mainly older (Dutch people who enjoy the sun), they have nothing to do with trade. You will have to find out who or what target group is economically active. There are countries who have little importance over multinationals but for the Netherlands it is very important since they operate many multinationals. If you take Shell as an example, you can find out how many non-Dutch people live and work in the Netherlands for Shell and how many Dutch people live and work for Shell outside the Netherlands and then you can ask, can you do this without these people?

Also the type of people, culture, history and religion plays a role. For example the Netherlands is more family to the US because of similarities in culture, mentality and many Dutch people can easily speak English. (Dutch are more similar to Germany compared to the UK).

→ By looking at trade theories, trade exists when the Netherlands specializes in a particular product and the Germans specialize in a different product and then they will trade with each other. So when you trade, people will have to cross borders.

2. Which economic indicators can describe that Dutch citizens abroad contribute to economic value for the Netherlands?

Joël van der Beek: Trade flows and relations, FDI is important, influence on image, remittances, knowledge.
3. How would you define economic value?

Joël van der Beek: The value is in the representation. You have Dutch people abroad that give negative value by for example disturbing the image or reputation of the Netherlands. If you sell great products from the Netherlands abroad then you will have a positive effect. If Dutch people misbehave abroad then this causes a negative value. There was a Dutch architect who designed a big football stadium in China which causes a positive value because the Chinese will say “Look a Dutch man designed this”.

Economic value is a broad word it is not to be explained but for this research, economic value for the Netherlands would be the international trade. So if you are not with your people in a particular country then it will be very difficult to trade so I think Dutch people abroad are also specialists to choosing which products we can import and they are important for exporting. If all Dutch people were living and working in the Netherlands, international trade will gradually slow and level off. Therefore, international trade exists thanks to the fact that Dutch people live across borders. The Netherlands is a small country that has many relations with other countries, Dutch people are essentially important and have a high value.

4. Who are the possible target groups?

Joël van der Beek: If you want to look at Dutch people who are important for the Dutch economy then you will have to target the ones who are active abroad. I would think of diplomats, people from the business life, entrepreneurs abroad, Dutch companies operating abroad.

5. Is there a link or relationship between Dutch citizens abroad and their added value towards the Dutch economy?

Joël van der Beek: It is nationally important and I believe that Dutch people abroad are very important.

6. What available source of information or additional sources would you suggest to study?

Joël van der Beek: There should be some available literature on this but first of all, in order to find what you are looking for, the question must be narrowed down. So if you look at the economic value, it is very broad and if you restrict it to a smaller topic then it will be easier and if bigger then more difficult. It is important that the research topic should not be too big. I will send you a few suggestions to your email.
Andre Kolodziejak: Your are at the right time busy with this research because the Dutch government is presently busy in cutting off a number of instances and that Dutch people abroad should be supported. If Dutch people abroad do not receive any support, for example with their education then many people will remain living in their home land. In order to bring many people abroad, you will have to facilitate this. You will have to distinguish between the promotion of Dutch people going abroad. If you think that Dutch people outside the Netherlands are good for the Netherlands (if you want to achieve this) then you will need some certain measures, that can be positive measures and negative measures. You should certainly avoid the negative measures and reinforce the positive measures. This will then lead to people who go abroad for the Netherlands can better fulfill their role there and as a result the Netherlands profits. That Dutch people positively contribute to the Netherlands is the “whether” question but you can also ask the “how” question (if you want that then that is a positive contribution, how can you do that? How can you not do that? When I talk to the people in the European commission, people who have worked here for a year or ten, they of course know what they can do or serve for the Netherlands and whether the Dutch government makes this difficult or easy for us to live abroad.

1. How would you evaluate this research?

Andre Kolodziejak: For the Dutch people living abroad, you have factors that affect the growth or increasing number of Dutch people abroad and there are factors that decrease the number of Dutch people abroad. I have worked years in management at the European school and here you can observe how the number of Dutch citizens increase or decrease. So there are positive and negative factors on the number of Dutch people abroad, how can I influence this and what are the influences of these indicators. So an indicator could be the increase in trade but the problem with all indicators is that you cannot extract them easily for the general statistics. You will have to ask people in a form of a survey. What we commonly do in an evaluation so how do we research whether it has a positive effect, we look at the indicators and these indicators we track through surveys and interviews. Statistics stratifies the amount of people and you can look at which indicators are actually possible for my research question.

The question is, do Dutch people abroad deliver positive impact or influence on the economic development of the Netherlands. For a country such as Egypt, people who live abroad you see them at Western Union transferring and sending money; these are people who go abroad, the most dynamic people who bring something back. What they bring back is, economic and culture knowledge and these deliver extra savings so savings in terms of sending money (not only remittance but also when they work abroad in fact they save money in their motherland for example money that is invested in Egypt is invested by Egyptians abroad, or money that is invested in Egypt is earned by Egyptians abroad). For example Turkey, more than half of the investments in Turkey is paid by what people earn in Germany. If I don’t have people who live in Germany then I won’t receive the money either. So If I have people outside my home country then this will promote trade, I will also acquire the economic knowledge of people. Also in the case of influencing economic policy of the Netherlands, for example last week there was an official consultation on abolishing subsidies of Dutch people abroad for the institution: Nederlands onderwijs in het buitenland. They receive 20 million, 10 million for European schools and 10 million for other schools, it was almost abolished but we had contact with the cabinet...
Mrs. Kroes and Prince Constantijn en told them if you cannot get people in Germany then you will lose control of the policy of the European Central Bank. This austerity should be reversed and from own experience at the European Central Bank no dog will want to work in Frankfurt if he is not supported by the Dutch government regards to the education of children, it is great that you have a job but how do the children think of this, the wife and children will be unhappy. (For example Egyptians in the US can influence decisions on specific things on what to do and what not to do).If you send the surveys (send a small question list), you can see the factors and state which are the most important indicators that show the channels of Dutch people abroad (bring economic value). Trade is anyway very important, the more Dutch people living or active abroad the more there is a demand for Dutch products. For example people in the US who want to try cheese or who perhaps have a cousin who trades in cheese, he will recommend others to approach his cousin and this means it is a matter of networking and national products. The Dutch economy in 1900 developed itself strongly due to the many Dutch people in Indonesia or India. At that time industrial developments were setup that the Netherlands did not have. So the Netherlands in 1900 was quite heavily behind and the industry that we have came from abroad, people produced for the Netherlands in India. Many people earn a lot from trade, so who earns from it? These would be Dutch traders and India is an extreme example but colonialism is a great example for people who abroad who can mean something to you. Economic knowledge is a great importance particularly technical knowledge, economic administrative knowledge, knowledge of machines that you can use here. You can observe quite often that in the Netherlands you have certain restaurants or businesses that have developed or been inspired by an example from overseas (ex food, culture). You then have people who transfer money, economically this is a statistic and this you will be able to find in the National accounts or statistics of the IMF (that is a surplus on the current accounts, what we actually receive in the balance from abroad). We receive a lot of money from abroad because a lot of people who have often been abroad, they also invested there and from the investment you get money and this you will only receive if people go abroad or they get a pension (for example if I go to Frankfurt and I receive a pension, this will be paid to the Netherlands and the Netherlands gets the money and this can be used to get other goods). In other words a concrete indicator is the income surplus which is money.

What we would sometimes do if we have the budget, for example we will look at the trade increase, the largest exports to countries where most people are and then we can look is there is a correlation between the amount of Dutch people who live in a country and the export to this country. The influence of economic policy in favor of the Netherlands is actually an important indicator but this is difficult to measure unless it is a methodological issue which we have quite often. Eventually if you want to see how Dutch people in the Netherlands contribute, you can state that the fact that I provide a subsidy for a foundation that works for the Netherlands abroad, that is a sort of output and you can use it as a kind of proxy. The number of children in German schools is an indicator for the influence of foreign policy in Germany. Methodologically, you have to provide the number of indicators and identify the most important and relative indicators according to their involvement. You can also state and distinguish people in the US and in Europe, what do Dutch people do in the US? Dutch people in Africa do other things than Dutch people in Europe, the question is will still stratify the research? If so, it does indeed matter whether we have Dutch people in Europe or outside Europe. It is not only about indicators, the indicators are clear but have different meanings. For example, people who are in Chile can contribute to the Dutch trade but they have little influence on the economic policy in favor of the Netherlands. So you can say that the distribution is typical for a specific continent or country. The increase in tourism of Dutch people abroad, regularly people leave to France and they go there to set up camping trips. Now how does this work with the indicators? This means that in France, Dutch products are being purchased. The people still remain Dutch orientated and if they need something for camping one of them might know a person or have a cousin by which they can get their products or they may want to buy it from the Netherlands thus increasing trade. We can also use the economic knowledge when people return back to the Netherlands, cost savings and sending money.
2. Which economic indicators can describe that Dutch citizens abroad contribute to economic value for the Netherlands?

Andre Kolodziejak: The influence of economic policy is probably not so direct but for example you say in that scenario, there are Dutch people there with their camping, I might have a look in the Netherlands, the fact that Dutch people go to other countries attracts tourism. How do you see this as officials in the European Commission, that is a different story, certain economic indicators may apply for us that influence economic policy but we would focus more on subsidies for the Netherlands, Dutch people. The fact is, as Dutch national here, it certainly is a weight in the channeling of money to the Netherlands. So subsidies, increase of tourism, influence on economic policy so for example lower rent, sending money, economic knowledge that is transferred and increase in trade are all a number of indicators that play an important role. In first instance, you have to have an idea that people abroad do good for you, they are Dutch people so it is important that they still possess the passport and if they don’t it they will feel less Dutch. It has also to do with policy of the Netherlands, at the moment you have Geert Wilders, the positive factors increasing the Dutch people abroad will go lower and the negative factors will go higher. As a consequence, Dutch people abroad will decrease and other examples such as constraining European schools or Dutch foundation in Paris, constraining Dutch education abroad, I will immediately lose my German delegation and less people would want to go to Germany and this will immediately effect economic policy and as a result you will have a negative economic effect.

What we do is we draw a sort of intermediary so the fact that Dutch people live abroad, trade increases and costs decrease. At the moment that a Dutch citizen needs to specially travel abroad is much more expensive. If I already know or have someone there who wants to import for example cheese, he will already be in the country and speaking the language so this saves you language costs translating costs, travel and Telephone costs. So when there is someone present abroad that can do the job for you, this will decrease costs but also lower risks in case it fails. The person that is present in that country will be aware whether to import to product or not as he is familiar with the market and so with this the benefits increases as well as trade. The idea is with every person that provide economic benefits (people abroad); the more they feel Dutch or connected to their country in other words possessing a double nationality, the more they want to do something for the Netherlands.

For example, if you receive a phone call with someone who is in the herbal business (the herb industry is big in all countries) but does not have all the resources and needs your help to export, you will help him because you are a Dutch national and you would want to do that for a Dutch person because you come from the same region.

There has also been negative measures, for example the Dutch government wants a lower salary for people abroad, the Netherlands want all children that are insured here that they should be included in the Dutch Insurance costs. This means that they will pay double and if they don’t do that then they will lose all their social services, health costs required that will make them dependent and that means you have a full array of resources to keep the people abroad. Dutch people are actually people who need help to stay upright in a European setting.

With savings, this leads to investments from abroad into the Netherlands and trade can also lead to business establishments in the Netherlands. At the moment that the Dutch active companies abroad produce, they produce on behalf of all countries. If a company goes to Egypt, the fact is that the company has become an Egyptian company unless you export extra, the question is whether as a country, you will take all the production out of the Netherlands and replace it in Egypt, will you be happy with that? If a company opens a branch in a different country that is the relocating of economic activities. If Dutch companies are expanding around the whole world doing business then this is of course related to trade.

Trade is much more favorable for us than real business relocations. Though if Dutch companies abroad need Dutch people, on a long term for example; Stamicarbon makes factories all over the world and has made some in Egypt but now, a large Egyptian company OCI has taken over or
purchased the whole melamine and agriculture business from DSM. This was favorable for us because they wanted to specialize more in the pharmaceutical industry so they provided them with the money and they were able to move on. I do see it in the start phase, as Dutch companies that want to deal with trade.

I think that a lot of American companies that have invested in the Netherlands are companies that are dependent on Dutch people for setting up and these in turn want to do something with the Netherlands. With Dutch companies, you will have to think about multinationals, Dutch activities abroad. Businesses that lead to knowledge transfer and increase in trade (having a Dutch origin) does something abroad and that is the strengthening for such a company and strengthening of our Dutch multinationals. So you have Dutch people abroad, what are the things that happen for example positive influence on trade and on the knowledge and money transfer. It can be possible that there is high correlation between trade and businesses that it won’t matter whether you measure the businesses or trade so you will actually have a same effect with measuring it. Whilst subsidies for Dutch people and the transfer of money from abroad are absolutely different. You will need good definitions, so who are the Dutch people abroad?

It is very important to look at why people stay abroad so if I stay abroad, and my children cannot go to school or I receive the newspaper 3 days later then it will be uninteresting to stay abroad. So for example if I’m heavily taxed, then look at the good things people do when they are abroad. You should look at how you can influence the number of people abroad and the number of Dutch people for your interest depends, can it be influenced or determined. For example if all diplomas are only valid in the Netherlands then a lot of people will not be able to go abroad or if we don’t speak other languages. How can I get more Dutch people abroad that can support my business and the question is how do Dutch people abroad create added value for the Netherlands. It is important because maybe Dutch people abroad have negative value, so you measure the balance effects, measuring both negative and positive effects. Some indicators cannot be measured directly, what you can measure is: income surplus, transfer of money to the Netherlands, how much money flows from abroad to the Netherlands because that can only occur when Dutch people are abroad. Of course it is not possible to assess all the possible indicators but these should be the main or important indicators.

Influence on image is also an indicator, you will need less advertisement. For example if you want to export yoghurt to Germany, it will be Handy if many Dutch people live there that say I want the yoghurt because I get healthy from it so this image comes from Dutch people as well.

A lot of economic knowledge is transferred through people who go abroad and bring knowledge here and there will be a causality, it can be a link but more of a causality link, all the benefits go on anyways. So what are the positive effects from these economic indicators? Higher incomes, lower prices, measures come from the impacts. For example if I provide you with a scholarship it is a benefit but not an immediate benefit (getting a job, happier life), the real goals. If someone has a goal, what is the value? Why should I care about the image of Dutch products? If you state that you want Dutch people outside the Netherlands because this will promote more tourism, knowledge then you need a goal in order to support the indicators. For example if there is an effect on economic policy and more people are getting unemployed thus losing jobs, this is something you do not want so Dutch people abroad help us more for value, more incomes, lower prices, greater growth for the Netherlands. Intervention logic: so we have the measures that are taken ex, double nationality will this be allowed, the presence of Dutch people abroad, do they do positive things for the Netherlands? Analyzing all the indicators, these have a positive influence on the Dutch economy -> value.

3. How would you define economic value?

Andre Kolodziejak : The so called value-added, the total added value of all production, pure production value during the process. In terms of this research economic value is the economic growth, the production which is immediately income and all the costs or inputs. The extra growth of the Dutch economy. Everyone of course benefits from this, the extra income and creation of jobs.
4. Who are the possible target groups?

Andre Kolodziejak: *Dutch people in general, people who have worked outside the Netherlands. Whether it is 2 or 3 months, temporary people so Expats and emigrants, I don't know how to distinguish these two. Expats and emigrants of course but you need to define these two even though they do have similar meanings now, you have expats that live outside the Netherlands for more than 15 years. Expats (small group) migration (mass emigration).*

5. Is there a link or relationship between Dutch citizens abroad and their added value towards the Dutch economy?

Andre Kolodziejak: Yes, they are of great value for the Netherlands.

6. What available source of information or additional sources would you suggest to study?

Andre Kolodziejak: *History on migration to get the basics, the Dutch history. Studies such as what emigrants serve for their homeland or immigrants.*
Appendix III: Trade research

Netherlands-China relations
Population
According to the Chinese government, at the end of 2012 4,168 Dutch persons had a Chinese residence permit. The overwhelming majority of this category of Dutch citizens lives in the coastal provinces so important for the Chinese economy: Shanghai (1,722 persons), Beijing (782 persons), Zhejiang (470 persons), Guangdong (309 persons), Jiangsu (273 persons) and Fujian (106 persons).

Hong Kong and Macau count almost 6,000 Dutch people on the basis of passports issued (Ministry of Foreign Affairs, 2012). Taken together, this means that more than 10,000 Dutch people are currently residing in China, including the special administrative regions of Hong Kong and Macau. ¹

Article
Holland and China discuss trade opportunities
During the Sino-Dutch Joint Economic Committee (JEC) in the Hague, the Dutch Minister for Agriculture and Foreign Trade Henk Bleker has discussed with his Chinese counterpart, Vice Minister of Commerce Zhong Shan, the promising opportunities for trade between the Netherlands and China. Mr Bleker stressed in his meeting with Mr Zhong that Chinese investments are most welcome in the Netherlands. Maxime Verhagen, the Minister of Economic Affairs, Agriculture and Innovation, signed a cooperation agreement during his visit to Beijing in May 2011 in which China and Netherlands committed to promoting reciprocal investment.

Mr Zhong said that Dutch investors are making a valuable contribution to the Chinese economy. There are approximately 2,000 Dutch companies established in China, and in the years to come the Chinese market will offer an abundance of opportunities to Dutch investors.

Agri-food
China is an attractive high-growth market for Dutch agriculture. The great number of food contamination scandals in China in recent years has led to growing demand by the Chinese middle class for high-quality imports from abroad. Mr Bleker stressed how much attention the Netherlands devotes to food quality and food safety. He also promoted Dutch seeds, seedlings and veal.

Sustainable cities
The two ministers agreed on stepping up the partnership between Delft University of Technology and the Harbin Institute of Technology in Shenzhen. The Chinese city of Shenzhen plans to develop its Longgang district as an ecocity, a model of the transition to a knowledge economy and a sustainable city. This partnership offers Dutch companies and research institutes opportunities to pool new concepts, innovations and developments related to sustainable cities.

The JEC meets once a year, alternately in China and the Netherlands. Its aim is to promote exports and encourage Chinese investment and technological partnerships. Together with France, Germany and the UK, the Netherlands is one of only four countries that hold regular bilateral consultations with China. ²

Dutch companies are involved in the Chinese economy, seeking not only opportunities in the economically-developed coastal regions but also in the rapidly-developing western part of the country. In 2012, the Netherlands was the eighth-largest investor in the Chinese economy. Moreover, in the

¹ http://china.nlambassade.org/binaries/content/assets/postenweb/c/china/zaken-doen-in-china/trade-relationships-nl-and-cn-may-2013.pdf

² http://www.hollandtrade.com/search/ShowBouwsteen.asp?bstnum=4905&location=%2Fsearch%2FShowResults%2Ft%3Ftext%3Dfrance%26sortering%3DPublicationDatum%252DDESC%26Showresults%3Dtrue%26PageIndex%3D2&highlight=france
past decade, bilateral trade relations have been growing steadily, creating employment in both countries.

But the Chinese-Dutch economic partnership is by no means a one-way street: Chinese companies are rapidly establishing their presence in Europe. The Netherlands is one of their locations of choice for investment. Its good geographic location, advanced infrastructure, favourable tax climate, highly educated workforce and language skills are just a few of the many advantages the Netherlands has to offer.

According to calculations by De Nederlandsche Bank (DNB), the level of Dutch investments into China and Hong Kong combined, reached € 12 billion in 2012. The Chinese government has also published data relating to foreign direct investment in China. Recent Ministry of Commerce (MofCOM) statistics show that the Netherlands was the eighth largest investor in China in 2012. After Germany, the Netherlands is the second biggest investor in China from the EU. Because part of Dutch investment is structured via Hong Kong, the total of all Dutch investments in China, including Hong Kong and Macau, is substantially higher than calculated by MofCOM. China is becoming a strategic market for Dutch companies. The most significant strategic reasons for Dutch companies to operate in China are expected future economic development, the size of China’s domestic market and the demands of customers to operate in China.

Dutch business presence in China is quite equally distributed over different sectors, with agro-food and business services as leading sectors. The Dutch government identified nine top sectors in which the Dutch economy is particularly strong; almost all of these are well represented in China. Most Dutch companies in China are active in business-to-business transactions. About one-third of the respondents of a business survey performed by the Netherlands economic network in China at the end of 2012 serve individual consumers. The findings show that a quarter of the companies are active in business-to-government transactions. This mainly concerns larger companies doing business with the Chinese government and state-owned enterprises. The growing online domestic market is reflected in 5% of Dutch companies being active in e-business in China.

More than three quarters of the surveyed Dutch companies serve the Chinese market. Dutch businesses seem to seize opportunities created by growing domestic markets in Asia, where the consumer disposable income is steadily rising. The business climate in China is both rewarding and challenging. Access to the domestic market and stronger local competition are seen as the biggest challenges to doing business in China. Most frequently mentioned barriers for Dutch companies doing business in China concern government relations and the Chinese regulator environment.

In general Dutch companies are doing well in China. The majority of the companies are profitable. The respondents of the business survey foresee an increase in turnover (70%), profitability (60%), and investment (53%) in 2012 and 2013. Companies in certain sectors can be considered out-performers, for example those in agro-food and trading. Large companies show somewhat better results than SMEs. In the past two years 20% of Dutch businesses suffered a loss. It turns out that predominantly smaller sized start-ups suffer losses. These companies seem to experience more barriers to doing business than others. Evidently, being successful on the Chinese market takes a longterm approach and significant investment.

The Netherlands economic network has 552 unique Dutch enterprises registered in China with altogether 975 establishments as per March 2013. In addition there are 210 Dutch entrepreneurs active in China. Most companies have been active in China for a longer period of time – one out of four for more than 15 years. More than half of the companies have the legal status of a Wholly Foreign Owned Enterprise (WFOE). All relevant Dutch business sectors and almost all Dutch multinationals are represented in China. By far the most companies are active in B2B. Manufacturing remains strong in China. Headquarters and R&D facilities are mostly located in the Netherlands. Facilities for applied and market specific research are increasingly being established in China. The majority of Dutch companies in China are active in the economically dominant coastal regions. The provinces of Shanghai (256), Beijing (136), Guangdong (121), Jiangsu (115), and Shandong (42) host the largest number of Dutch companies. The share of Dutch businesses in emerging Western China is growing
steadily (Sichuan: 25). Hong Kong is home to 134 Dutch companies.

De Nederlandsche Bank (DNB) publishes data relating to foreign direct investment in the Netherlands. Chinese investment in the Netherlands increased strongly in recent years from a low base and amounted to over €2.5 billion up to 2012. Investment positions up to 2012 show that China takes ninth place on the list of investing non-EU countries in the Netherlands. The Netherlands is the second destination of Chinese investments in the EU. 13% of Chinese companies in Europe is established in the Netherlands. The Netherlands possesses a number of strengths that make it attractive to Chinese companies wanting to enter the European market. The strengths of the Netherlands are, amongst others: geographical location, good infrastructure, a favourable fiscal climate, logistical expertise, technological know-how, flexibility, broad language skills and an internationally-oriented society. In addition, both economies are highly complementary to each other. In the field of infrastructure, the port of Rotterdam plays an important role as an international transport hub, and so an important role in economic relations between China and the Netherlands, and the EU as a whole. The Netherlands Ministry of Economic Affairs has up to now counted 350 branches of Chinese companies in the Netherlands. Every year the number of Chinese companies grows substantially. The 350 Chinese subsidiaries of Chinese companies in the Netherlands create more than 7,000 direct jobs in the country.

Employment: Dutch companies in China vary significantly when it comes to the number of employees. Most employ fewer than 50 people, while the largest has over 18,000 employees. Dutch enterprises in China directly employ an estimated 125,000 people in China (2012). Dutch companies abroad only employ more people in other European countries and the US. The 350 Chinese subsidiaries of Chinese companies in the Netherlands create more than 7,000 direct jobs in the country. In 2009 at least 27,000 Dutch jobs were directly linked to exports to China.

Trade: Between 1992 and 2011 bilateral trade increased from EUR 1.2 billion to EUR 37.3 billion. In the same period, exports to China increased 38 fold, while total Dutch exports grew 19 fold. Outside the EU, China is currently the Netherlands’ largest trade partner, after the US. In 2012 Eurostat calculated that, with a 15% share, the Netherlands was China’s most important trading partner in the EU after Germany (29%).

Exports of Dutch goods to China and Hong Kong have grown significantly in the last 10 years, from EUR 1.5 billion in 2003 to EUR 9.5 billion in 2012. Exports increased in 2012 for the 14th consecutive year. China, including Hong Kong and Macau, is the eighth-largest export destination for Dutch goods. China is the highest-ranking non-Western destination for Dutch exports, and the strongest climber. In 2010 over 3,500 companies in the Netherlands exported goods to China (Statistics Netherlands (CBS), 2012). CBS calculated that a third of exports to China consist of re-exports, against 46% of total Dutch exports. This means one euro of exports to China contributes more to the Dutch economy than the average euro of exports. The value of Dutch imports of goods from China has more than tripled in the past decade, from EUR 10.2 billion in 2003 to almost EUR 34 billion in 2012. The Netherlands imports the largest amount of goods from China in the EU, after Belgium and Germany. This is mainly due to the port of Rotterdam, the gateway of Chinese products into Europe. The EU is China’s largest market. Imports from China amount to 8% of total Dutch imports, of which two-thirds is then re-exported to other countries (KPMG, 2012). These re-exports consist of goods that are exported in the same condition that they were imported in. In the case of re-exports the goods are temporarily the property of a Dutch legal entity. In 2010 about 22,500 Dutch companies imported goods from China (CBS, 2012). 