

BARMIG Executive summary

Project website: <http://barmig.umcs.eu>

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The development of the Czech economy over the last 10 years was determined by three main events: the economic crisis, the ensuing boom, and the outbreak of the global Covid-19 pandemic in 2020. Economic growth since 2015 has brought increased demand for foreign workers. The Czech government, in cooperation with employers, introduced various support programs to facilitate employment from abroad, primarily from Ukraine. While during the economic crisis of 2008 – 2011, the number of Ukrainian workers decreased from 81 to 35 thousand, in 2015, their number rose to 121 thousand and the increase continued until the beginning of 2020. After the first wave of Covid-19 in the spring of 2020 and due to anti-pandemic measures, the migration policy of Czechia was disrupted. New visas were halted and many Ukrainians and other migrant workers returned to their home countries because there was virtually no work due to the lockdown. Several sectors, such as construction and hotels reported a shortage of workers once the lockdown restrictions were lifted. Interestingly, from all foreigners on the labour market, only Ukrainians reported a significant decrease; between March and June 2020, 36 000 workers terminated their residence permit. Nevertheless, by August 2021, their number caught up to and even exceeded the pre-pandemic levels.

Historical context, presence in the labour market appear, and media analysis

Overall, more than 12% of employment in the Czech labour market is made up of foreigners. Labour migrants from third countries (mostly from Ukraine and Vietnam) outnumber those from European Union member states.

Third country nationals often embark on a circular mode of migration, but in long-term they aim to stay in the country permanently. The share of permanent residences is slightly higher (60%) and continues to increase through family reunification. Foreigners in Czechia are mostly young or middle-aged people, typically between 30 and 40 years of age.

There are two main data sources, the one reports stays registered to the Ministry of Interior followed by the Czech Statistical Office and another one follows the registration based at the social security system level followed by the Labour Office. This accounts for why different data sources provide a different picture on the number of foreigners, especially those from EU countries. For instance, according to the data from the Ministry of Interior (registration followed by Czech Statistical Office), the most numerous group of foreigners are Ukrainians, while based on the Labour Office data, the most numerous group is Slovaks. The third largest group are the Vietnamese, another specific group of labour migrants. The origins of migration from socialist Vietnam dates back to the existence of Czechoslovakia. Their established networks from state socialism period persisted and continued and the Vietnamese formed a closed community that typically works in retail and clothing shops. The fourth largest group is formed by Russians who in general undertake more qualified jobs and reach higher wages than other nationalities from third countries. Interestingly, Serbs are relatively under-represented on the Czech labour market, outnumbered by both Belarusians and Moldovans.

The media picture about migrants mostly highlights their economic status as being labour migrants helping to narrow the shortages on the local labour market. The most frequent words retrieved from our media analysis were labor shortages in the Czech labor market, increasing number of migrant workers, and the issue of the legality of work.

Regulation

In Czechia, the migration policy towards third country nationals is strictly regulated, which paradoxically does not prevent an increased presence of migrant workers in the labour market.

The protectionist migration policy contributes to the circular character of migration, halting migrant integration and contributing to their precarious position in the labour market. Trade unions at the national level influence the regulation mainly by keeping the status quo of the protectionist policies, arguing that an increased migrant presence undermines their efforts to advance working conditions in Czechia. At the company level trade unions aim to narrow foreigners working conditions, increase their wages which motivates also locals to be employed, nevertheless, some sectors may suffer low trade union coverage and thus have limited options to improve foreigners working conditions. Employers, on the other hand, demand a relaxation of the migration rules for third country national arguing by the lack of workers on the labour market.

Despite the strict regulation, a tight labour market served as the main driver for the demand of foreign workers in Czechia, and for this reason, the number of third country nationals has been rising consistently during the past 10 years. Interestingly, the COVID-19 pandemic caused only a temporary decrease in migrants in the Czech territory. The Schengen area free movement challenges the strict migration policy towards third country nationals when more easily obtainable visas from neighboring countries (especially Poland) are used for posting foreign workers to Czechia. This semi-legal practice results in many foreigners being recognized as illegal without being aware of breaking the rules. Further, Ukrainian migrants are in many cases found in precarious positions in the labour market because of using short term tourist visas for work which is considered illegal. Pseudo agency work and subcontracting is another often recognized malpractice of the third country nationals employment.

Migrant workers: presence, trends

Data on the numbers of labor migrants in individual sectors show that the largest number of Ukrainians work in manufacturing, followed by administrative and support service activities (which stands for agency employment) and construction. Most of them are in administrative and support service activities, followed by wholesale and retail trade as well as information and

communication. This suggests some nationality based segmentation of foreigners on the labour market.

Labour market integration: characteristics of jobs-contracts, problems

Since 2017, Czech temporary work agencies can employ foreigners in selected workplaces mostly related to production and manufacturing. Foreigners are often also employed by illegal agencies which provide their services outside agency work regulation. There is an effort to stop this practice at the ministry side, but it is difficult to recognize bogus agency work which often appears in the form of chains of subcontractors. This is also confirmed by the Labour Inspectorate when one control leads to several other controls of related subjects. The individual parts of the chains deny responsibility for the workers on site which is especially harmful for foreigners with Polish visas who are often recognized by the authorities as illegal work.

In the last 5 years, migration rules for Ukrainians have undergone substantial changes reacting to the “non-transparent system” marked by corruption cases. Previously, visa points at Czech embassies were places where migrants could apply for a working visa. A lack of transparency in the registration procedure allowed illegal intermediaries to offer time slots for visa requests for payment. A special program for Ukrainian workers adopted in 2019 stipulated that only employers with more than 6 full-time employees could apply to this regime and employ Ukrainians directly. The program set quotas and stipulates 1.2 times higher minimum (guaranteed) wage for the given profession than the regular one according to the Czech legislation.

Social partners capacities and strategies

Social partners have different views on the problems with migration. While employers demand more foreign workers and complain about the difficult and lengthy administration related to foreign employees inflow, trade unions demand strict regulation and control of migration, highlighting the exploitation and bad working conditions of foreigners in Czechia. The

persistently strict regulation despite labour market shortages suggests that the shared belief of policymakers is that migration is not welcomed. Trade unions thus seem to influence the policies more, however, the rules set for foreign workers' presence are influenced by employers. Experts mostly criticized the high level of dependency of third country nationals on their employer and a lack of autonomy when changing jobs. This may force foreigners to tolerate bad working conditions and not being able to leave the employer when dissatisfied.

Social partners lack capacities in dealing with migration and the issues associated with migrant workers and migration is not in the centre of industrial relations nor is the part of sector level social dialogue. Most of the dialogue among social partners is aimed at the policies set at the national level. From the studied sectors, third country nationals are concentrated in the automotive and construction sectors, but social partners also pay little attention to their integration at the sector level. Healthcare is a sector which attracts a highly qualified workforce, yet again, social partners at the sector level have no strategies to tackle the problems of migrant workers there. Trade unions tend to support a protectionist approach towards migrant workers in all sectors studied.

NGOs hold programs for legal help and for integration and other support services for foreigners. NGO experts also play an important role in pointing out maltreatment of foreign workers and suggest measures to improve its regulation. NGO experts are part of the public debate filling the gap between the contrast positions of employers and trade unions.

Recommendations

1. To prevent social dumping from foreign employment it is recommended to grant more co-determination rights to company level trade unions by strengthening their role in regulating the number of agencies providing workers to the employer. Trade unions can also aim to organize foreign workers at the company level, and if appropriate establish trade union organizations at the temporary work agency and induce collective bargaining.

2. To increase the integration of labour migrants, it is important to narrow the unbalanced relationship between employers and employees. Foreigners coming to Czechia are in the first years of their stay dependent on their employer. Without approval of the Ministry of Interior, they cannot even change their employer. As suggested by experts, the relationship between employer and foreign employee is not balanced and skewed towards employers.

3. It would be helpful to increase the capacities of social partners to deal with malpractices in migration. Trade unions would especially benefit from the experience of direct work with migrants and from analytical work related to migration. Their established network of regional offices where legal help is regularly offered to its members may be strengthened by offering help to foreigners as well.