

IMMIGRATION TO THE CZECH REPUBLIC, BENEFITS AND IMPACTS FROM THE VIEW OF LABOUR MARKET FUNCTIONING

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Abstract

Migration in the sense of people moving from place to place (in the narrower sense, most monitored today, movement of migrants from one country to another) is a feature as old as mankind itself. The reason to do so has always been overpopulation, whether absolute or relative, shown as a lack of opportunities for making one's living in a given region, or in one's home country respectively. Currently, EU countries are hit by a very unfavourable demographic development. The worsening age structure of the population, which can be seen even in the Czech Republic, is starting to limit labour reserves in long term perspectives and is threatening the funding of social and health care systems. This unfavourable development can be solved either by efficient population policy or by immigration, whose development, however, can't be left unmanaged and spontaneous. The immigration must be well managed and selective, otherwise the current problems will not be solved, but on the contrary new ones will join them.

Key words: Migration, Labour Market, Education

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Introduction (Times New Roman, 14 pt., bold)

Migration in the sense of movement of people from place to place (in the narrower sense, most monitored today, movement from one country to another) is a feature as old as mankind itself. Considering major migration movements from the far and closer past, we can mention Greek colonization (10th – 7th century B.C.), several waves of movements of nations at the beginning of Middle Ages or the period of colonization of America in the 16th – 20th centuries. Causes are various and according to them, two main types of migration can be characterized:

1. Migration as a permanent relocation, complying with the concept of colonization.

2. Migration as a regular, periodical movement, when the basic motive is periodical movement for better living and all what is casually connected with this motive, such as travelling for employment, education, increasing the value of the factor of production of labour, improving future opportunities and other reasons playing a key role particularly in the current migration wave.

If we generalize the causes resulting in migration to another place, we can assume, that the basic reason is always overpopulation, both absolute and relative, shown in the lack of job opportunities in the given place, or in the original home country.

1 History of migration to and from the Czech Republic

Of course, the Czech Republic, or Czechoslovakia in the previous decades, doesn't stand aside of this global issue. In contrast to most countries or regions used mainly as a "one-way street", either as a source country (currently mainly developing countries of the so-called "poor South") or a country of destination (currently Canada, the USA, Western Europe, Australia), our country behaves to a certain level ambivalently.

In case of the Czechoslovak Republic, in the past emigration flows prevailed (in the period 1920 - 1937 from the Czechoslovak Republic, however, mostly from Slovakia and from Sub-Carpathian Rus - 180 thousand people moved out from this region; then 3 million Sudeten-Germans expelled immediately after World War II and other 0,5 million people who emigrated in the period 1948 – 1989. However, in the same time, relatively strong contingents of immigrants, mostly from countries with intensive political reprisals (such as after the revolution and civil war in Russia, after the fall of the so-called Hungarian Soviet Republic (Republic of Councils in Hungary, after Hitler's rise to power in Germany, etc) headed to our country. Apart from this, it is necessary to take into consideration also the internal migration, caused by resettlement of Slovak inhabitants to richer, more developed Czech countries. Migration continued also in the era of socialism; arrival of Greek political refugees in the Czechoslovak Socialist Republic after the rise of military dictatorship in Greece in 1967 is such an example.

After the Velvet Revolution in 1989 emigration from the Czech Republic almost stopped. E.g. in the first five years of the existence of the independent Czech Republic 9,763 people emigrated from our country, 7,424 immediately in the first year i.e. in 1993 which is the result of the split of Czechoslovakia and the following migration of some Slovaks living on the territory of the Czech Republic back to Slovakia. In the same period, however, 55,384

people moved to the Czech Republic (Stojarova, 2019). This shows clearly that in the Czech Republic immigration substantially has prevailed over emigration in the last ca 25 years. The Czech Republic is becoming a destination country, or a kind of interchange stopover on the way to the wealthiest countries of Western Europe for inhabitants of many countries.

It isn't a coincidence that four out of six main immigrant-generating countries for the Czech Republic are East European countries Slovakia, the Ukraine, Poland and Russia, i.e. countries where inhabitants speak Slavic languages and so face only small, in case of Slovakia no language barrier in our country. The fifth source market is far Vietnam, where emigration to the Czech Republic has significant historical roots, dating back to the 1970s and 1980s. At that time, based on intergovernmental agreements Vietnamese people were imported into our country as labour force to compensate with their productive activity enormous debt of Vietnam against the Czechoslovak Socialist Republic. Although most Vietnamese were repatriated after 1989, their long-term stay in the country enabled them to get familiar the territory, which made their return easier. Finally, the sixth nationality are the Germans (Seidlova, 2018).

The above mentioned six nationalities currently account for 70% of total legal immigration to the Czech Republic. Rounded to thousands, there were 117 thousand Ukrainians, 112 thousand Slovaks, 60 thousand Vietnamese, 37 thousand Russians, 21 thousand Germans and 21 thousand Poles (see table 1) legally living (including permanent and long-term stay) in country on 31st December 2017 (Czech Statistical Office, 2019 A). The word "legally" must be stressed, because mainly inhabitants of the Ukraine constitute the biggest percentage of illegal migration (Czech Statistical Office, 2019 B); 4,738 illegal immigrants were caught on the territory of the Czech Republic in 2017 of which 3,451 were the Ukrainians. Of course, these are only numbers of those "registered" ones, but we can only guess the number of "unregistered" ones.

Tab. 1: Main groups of immigrants to the Czech Republic on 31st December 2017 according to nationalities

Foreigners total	Major ethnics of immigrants:					
	Ukrainians	Slovaks	Vietnamese	Russians	Germans	Poles
524 142	117 061	111 804	59 761	36 642	21 261	20 669

Source: Own adjustments according to https://www.czso.cz/csu/cizinci/4-ciz_pocet_cizincu#cr

2 Prerequisites and legal principals in the European Union

Since joining the EU, the Czech Republic was forced to accept several provisions by which the EU regulates immigration. The historically first, still effective legal documents are articles 3, 48 and 49 of the Treaty of Rome of 1957 on the establishment of the European Economic Community. Later, several documents within the EEC dealt with this issue, resulting in the Regulation of the EEC No. 1612/68 of the Council of 15th October 1968 on freedom of movement for workers within the Community. While the basic idea of the Treaty of Rome was freedom of movement of workers for overcoming imbalances on national labour markets, after 1968 the issue of international movement of labour and persons concerns also social issues of migrants and their families.

However, inhabitants of non-member countries have represented a significant part of EU population and thus also labour force already since the 1960s. After the fall of the British Empire after World War II millions of people from their former colonies, mainly from India and Pakistan, but also from Africa moved to Britain. Millions of people from their former colonies moved to France, Moroccans moved to Spain. Germany did not have colonies, but they imported Turks as cheap labour force.

The basic idea was quite simple – migration waves represent an integral part of European history and Europe has always been able to cope with them without any bigger difficulties so far. Immigrants either gradually assimilated with the original local nation, or, if it was a strong immigration wave, they formed a new nation together with native population (who from the English declares today to be a Saxon or Norman?). So why shouldn't it be the same with modern immigrants from colonies? The basic prerequisite for their assimilation with majority society was considered their successful entry to the labour market. However, this soon proved to be a necessary, but not the only prerequisite for their integration.

In fact, it is more and more clear that integration of these immigrants into majority society has failed. Immigrants coming from different cultural, or civilization circles (these are not only the under influence of terrorist attacks always mentioned Muslims, but also Indians, Chinese and others), usually do not strive for assimilation (with regard to their racial, cultural and religious difference hardly imaginable anyway) and misuse the idea of multicultural co-existence as a tool for pushing their further requirements against the majority society quite often. For whole decades the governments in Western countries consoled with the hope that the coming generation, which would already have European education, would be fully integrated. But family traditions, influence of heterogenous religion and links to original

homeland from which young immigrants of the 2nd and 3rd generation bring their partners, seem to be stronger than non-segregated school education. And there is a rule, that the more immigrants there are in a country, the higher is the pressure on the increase in further immigration through relatives, and friends of already settled immigrants (Palat, 2015).

Of course, one cannot deny that there is also immigration, which is beneficial for the country. For example the USA benefited greatly from immigration of educated people fleeing from Fascism and Nazism in the period between the world wars (nuclear physicists with Einstein and Fermi as the best examples), or later, after World War II from brain drain from Western Europe and elsewhere, with an important role of refugees from communism in Eastern Europe. However, in these cases, educated people arrived in the USA, and the USA benefitted from their arrival immensely. Thanks to their cultural kinship (including religious orientation) these European immigrants did not represent any security risk for the new country. Import of uneducated, culturally and religiously very distinct immigrants on various idealist pretexts is extremely risky, as even people in the USA can see already now.

In comparison with North America, the situation in Europe is much more complicated. As the social system in the USA is weaker compared to European standards, immigrants are forced to be actively engaged in the economy to earn their living and living for their families independently. However, in Europe, a significant part or according to various surveys, most immigrants live on social benefits, which places excessive burdens on the state budget and social and health care systems of a host country. A side product of this situation is the fact that the carrying capacity of Europe is much lower than the carrying capacity of the USA. European economy would have collapsed under the number of immigrants staying and working in the USA already a long time ago.

The issue of risks from immigrants, not only in the economic field, but also in the field of crime, has been perceived even in the Czech Republic. It is enough to realise, that according to the data by the Prison Service of the Czech Republic (Prison Service of the Czech Republic, 2017, p. 26), foreigners account for about 8.3% of imprisoned persons in Czech prisons, even though they account for only 5.0% of people living on the territory of the Czech Republic.

3 Risks of and benefits from immigration to the Czech Republic

Nevertheless, immigration might have even advantageous social and economic effects. EU countries have been hit with very unfavourable demographic development for several past

decades. Worsening age structure of the population, which can be tracked in the Czech Republic and whole EU, limits labour reserves and threatens funding of social and health care systems in a longer-term horizon. There are only two ways how to avoid a so-called “social trap” (Tepperová & Klazar, 2012):

1. Significantly increased birth rate of domestic population.
2. Immigration.

The first case would be highly beneficial (instead of growing ethnic and cultural diversity representing a source of risk, internal national and cultural unity of the country would be strengthened). However, in the current conditions, except for Hungary, where the government is starting to approve significantly pro-population-oriented provisions, this case is less probable. There are several prerequisites to be met in order to minimize the risk:

1. Favourable cultural and ethnic structure of immigrants.
2. Favourable age structure of immigrants.
3. Favourable educational structure of immigrants.

Briefly said, ideal immigration should show the origin in related cultural environment, i.e. from the European cultural and religious sphere (the Czech Republic has been doing relatively well from this view so far, see table 1 and it is necessary to maintain the situation like this, which means not to give way to the EU pressure to settle in the so-called “refugees” on our territory. Furthermore, ideal immigration should consist of the highest possible share of economically active part and immigrants with a high level of accomplished education. Let’s have a look at the reality of the second and third requirement.

As far as the age structure of immigrants is concerned, this is a very important issue with consequences for national economy. It is enough just to realise, how unfavourable the age structure of domestic population is, and this aging of the population will be even worse and worse in future. It is clear then that immigration with a similar age structure would represent economic disaster. Czech economy needs people who are in active age and will stay active for many years (better decades). Even much richer countries than the Czech Republic cannot afford to import seniors. From this view, the current situation is quite favourable, but it can’t be overestimated; the share of people above the age of 65 which was only 2.9% of all foreigners in 2004, grew to 5.3% by 2017, see table 2 (data include persons with the stay longer than 90 days, without granted asylums):

Table 2: Age structure of immigrants to the Czech Republic in 2004-2017

Year	Total of foreigners	Age under 15	Age 15-65 years	Age above 65
2004	254 294	23 181	223 686	7 427
2005	278 312	24 334	245 890	8 088
2006	321 456	25 628	286 713	9 115
2007	392 315	28 902	352 896	10 517
2008	437 565	32 334	393 426	11 805
2009	432 503	35 256	384 691	12 556
2010	424 291	37 502	373 282	13 507
2011	434 153	38 364	380 603	15 186
2012	435 946	39 841	379 459	16 646
2013	439 189	41 959	378 752	18 478
2014	449 367	44 616	384 305	20 446
2015	464 670	47 574	394 415	22 681
2016	493 441	51 260	416 976	25 205
2017	524 142	54 754	441 587	27 801

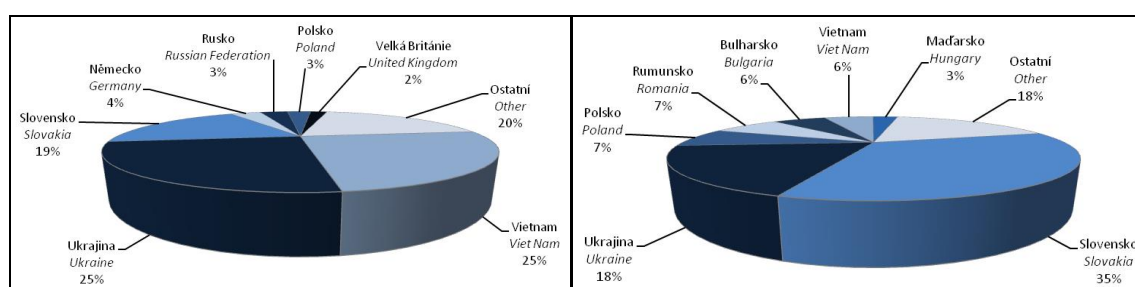
Source: Czech Statistical Office, 2019 C. Own adjustments

As far as the forms of economic activity performed by individual immigrating nationalities are concerned, there is a striking difference between Slovaks and Vietnamese. While the representatives of the first ethnic group do business relatively little and in overwhelming majority prefer being employed, there is only a minimum number of Vietnamese listed by Work Offices, as almost all do business. Russians and Germans have their own business almost exclusively and in other important ethnic groups, the ratio of types of economic activity are almost balanced (fig.1).

Fig. 1: Forms of economic activity of immigrants to the Czech Republic

a) Business activities

b) Employee's activity



Source: Czech Statistical Office, 2019 D & E. Own adjustment

If we sum it up, we can say that from the economic view the Czech Republic rather benefits from current immigrants. The only disputable issue is the current impact the immigration has on the Czech labour market, since the inflow of workers to assembly halls where these workers are ready to work for minimum wages, slows down the wage equalization between the Czech Republic and Western Europe. (Guzi et al., 2018)

While the age structure of immigrants is favourable, the Czech Republic has a problem with the level of accomplished education of immigrants. However, there is one hardly understandable fact – although the level of accomplished education of immigrants is undoubtedly registered, these data are not available in any statistics published on websites of the Czech Statistical Office. The only published data on education are those in the reports on immigrants at Czech schools. However, this is something very different. The Czech Republic would need qualified immigrants, not those, who will only study in our country, naturally at the expense of taxes collected from domestic population.

Conclusion

Migration has been growing extremely in recent years and is becoming one of the major factors threatening the sole existence of European civilization. From this view, it is necessary to appreciate that despite all negatives (especially growth in crime) migration to the Czech Republic has had prevalingly positive characteristics so far. The “incomers” are mostly in productive age, or in pre-productive age and thanks to the ethnic origin of most majority of immigrants their successful assimilation can be expected.

The only disputable issue is the education of immigrants. The Czech Statistical Office does not publish these data and so only the fact that a significant part of these migrants ends up in assembly halls with low qualification requirements or as unqualified workers at building sites leads to the assumption that their education is not too high. Massive use of Czech schools by foreigners for getting adequate education is becoming a problem. Foreigners do not pay any tuition fee at Czech schools (it is said to be discrimination), which means, that Czech tax payers pay citizens of other countries for their education. And the education of foreigners accomplished at our schools is almost irrelevant from the view of Czech economy; there is no security, that they will put the achieved education into practice in the Czech Republic. They can either return to their home country where, thanks to a diploma from an EU country, they will gain a much better position in the local labour market, or they will try to get a job in some richer economy in Western Europe, the USA, etc.

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