

## **THE CONSEQUENCES OF IMMIGRATION ON THE LABOR MARKET IN THE CZECH REPUBLIC**

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### **Abstract**

Immigration is a global phenomenon whose importance has recently increased. Neither the Czech Republic (CR) does not avoid this phenomenon. Czech Republic in the years 1990-2010 has become a major destination country for immigrants. Emigration from the Czech Republic is not very numerous. Most legal immigrants from five countries, they are the Ukraine, Slovakia, Vietnam, Poland and Russia. Numerous immigration is illegal. Specific information is lacking, it is an estimate. With immigration to the Czech Republic is associated with numerous risks. It has impacts on the Czech labor market, influences crime in the country, causing tension of the social system. Immigration to the Czech Republic (with the current parameters) can eliminate the demographic trap in which the European countries at present. Relatively favorable is the ethnic composition of most immigrants (people from a related language and cultural sphere). While there are some risks, but the labor market in the Czech Republic is less affected by immigration than is usually stated.

**Key words:** Immigration, Unemployment, State budget.

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### **Introduction**

Immigration is a global phenomenon whose importance has recently increased. Neither the Czech Republic (CR) does not avoid this phenomenon. Our republic is in the early 21<sup>st</sup> century mainly a destination country for migration to the outflow of people from the CR occurs in the last 20 years, few, especially in the economically active population. Immigration in the case of CR significantly exceeds emigration. Czech Republic for citizens of many countries target countries and in some cases even a sort of transfer station on the way to the richest countries of Western Europe.

The main reason for migration is overpopulation, which is reflected in the lack of opportunities for application in the original home country. Part of the migrants in the Czech Republic are economically active. As stated Pavelka: "The development of foreigners' economic activity in the Czech republic is tightly connected with tree key facts. ...The first is the divison of former Czechoslovakia into two independent states, the Czech Republic and the

Slovak Republic, in 1993. ... The second is the admission of the Czech Republic into the European Union in 2004....The third key fact is the economic development of the Czech Republic” (Pavelka 2010).

## **1. Immigration to the Czech Republic**

The Czech Republic's immigrants come mainly from five countries (see Table 1.). Four of them are Eastern European countries Slovakia, Ukraine, Poland and Russia, the country speaking Slavic languages in the Czech Republic face a relatively small language barrier (in the case of the Slovaks zero).

**Tab. 1: Foreigners in the Czech Republic**

	31.12. 2006	31.12. 2007	31.12.2008	31.12.2009	31.12.2010
<b>Total</b>	<b>321 456</b>	<b>392 087</b>	<b>438 301</b>	<b>433 305</b>	<b>425 301</b>
Ukraine	102 594	126 526	131 965	131 977	124 339
Slovakia	58 384	67 880	76 034	73 446	71 780
Viet Nam	40 779	50 955	60 258	61 126	60 301
Russia	18 564	23 303	27 178	30 395	31 941
Poland	18 894	20 607	21 710	19 273	18 242
Other	82 241	102 816	121 156	117 088	118 698

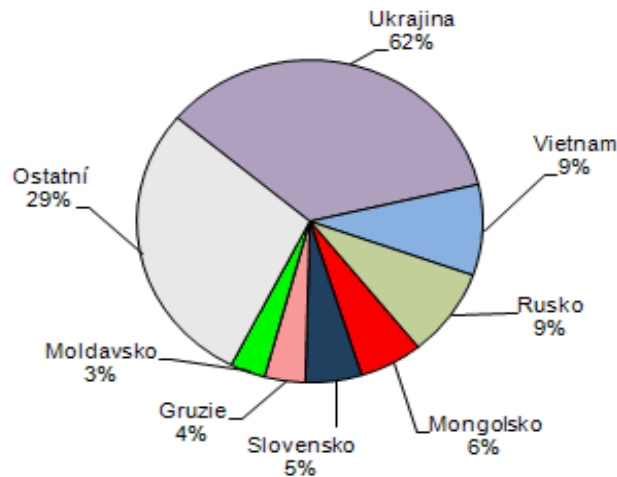
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The fifth source country is Vietnam. Immigration from Vietnam has historical roots, the Vietnamese were imported into Czechoslovakia in the 70th and 80 the 20th century on the basis of international agreements. This created the base to allow easy flow of other immigrants after 1990.

Part of the immigration is illegal to CR, its scope is determined by estimation, exact figures of course do not exist. From the detected cases shows that most of the offense committed by citizens of Ukraine (see fig. 1).

After the counting of illegal immigrants of Eastern European nations share in the total immigration will increase considerably (compared to official data from Table 1).

**Fig. 1: Illegal migration of foreigners (2009)**



Source: [http://www.czso.cz/csu/cizinci.nsf/kapitola/ciz\\_nelegalni\\_migrace](http://www.czso.cz/csu/cizinci.nsf/kapitola/ciz_nelegalni_migrace) (published 28 July 2011)

## **2. Legislative conditions**

The Czech Republic is bound by issues of immigration legislation of the European Union (EU). The first (still valid) document řešícím movement of citizens of European countries outside their own state, the articles 3, 48 and 49 of the Treaty (Treaty of Rome), establishing the European Economic Community (EEC) in 1957.

Subsequently addressed this issue in a number of documents within the EEC. It is crucial to Council Regulation EEC No 1612/68 on free movement of workers within the EEC. The basic idea of the Treaty of Rome (1957) had freedom of movement for workers. Since 1968, takes into account the social problems of migrants and their families.

Legislation of the European Union abolished the preference for domestic workers against citizens from other EU Member States. Foreign employee has the right to live with his family in your country and is entitled to the same treatment as citizens of this country. Also, his family members enjoy the same benefits that relate to domestic citizens.

EU countries are affected for a long time very unfavorable demographic developments. Deteriorating, the age structure of population; it inhibits reservoir of manpower and funding threatens the social and health system. Immigration is a source of labor, if it is a workforce educated and qualified, may be beneficial for the destination country. Successful entry into the labor market (if it ever happens), but not enough for integration. Immigration is a source of many problems.

### 3. Benefits and risks for the Czech Republic

In connection with immigration are mentioned three types of risk:

1st Growing unemployment, domestic population (the so-called low-paid immigrants take work home people).

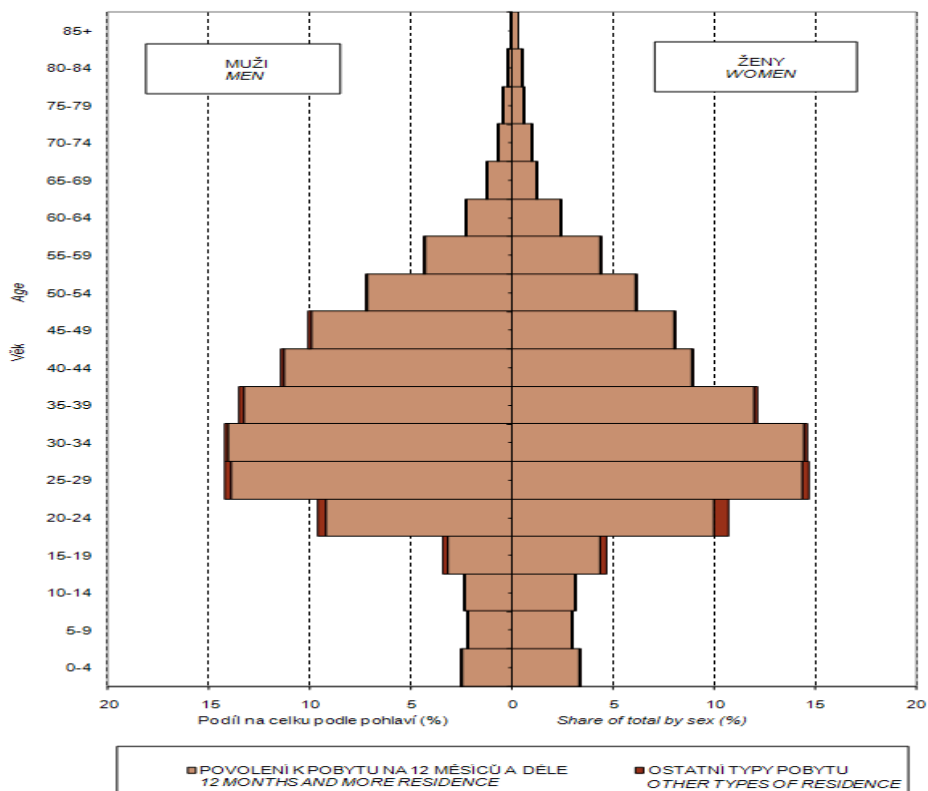
2nd The growth of crime in the country (due to the fact that some immigrants are involved in illegal activities).

3rd Voltage social system (at least part of immigrants depends on social benefits).

The risk on the part of immigrants is already seen in the CR. According to the Czech Statistical Office was in the Czech Republic 75 761 convicted persons, including 5 498 foreigners (7 % of all prisoners, even though at that time, foreigners accounted for only 4.1 % of the population in the state). Certain problems arise on the expenditure side of the state budget. This is not of interest to this study, the only issue is devoted to the labor market (point 1st).

The age structure of migrants to the CR is relatively favorable. Data show that the Czech Statistical Office, contained in Fig. 2:

Fig. 2: Age distribution of foreigners in the Czech Republic (2009)



Source: <http://www.czso.cz/csu/2010edicniplan.nsf/engtab/FB0042B43B> (published 28 July 2011)

With these trends in immigration to the CR is doing to eliminate the fact that the population of CR long-term decline and that the proportion of economically active population component of the total population decreases.

Questionable is the impact of immigration on the Czech labor market, which increases labor supply. Unemployment in the CR is still very high (9.0% - 31 December 2011) and the influx of immigrants is still growing.

The truth is that immigrants generally migrate to regions with low unemployment rates, mainly in Prague and Central Bohemia (see Tab. 2). The exception is a specific Region of Karlovy Vary (a large Russian minority). Labor migration and find application in regions with low unemployment would theoretically could also citizens of the Czech Republic. Due to low labor mobility in the Czech conditions to occur but rarely. For this reason, therefore, stress on regional labor markets smaller than would correspond to the global numbers.

**Tab. 2: Foreigners by region of the Czech Republic - 31 May 2011**

Region	Foreigners	% population of the region	Unemployment rate
Czech Republic	419 689	4,1	9,0
Praha	148 079	11,9	3,1
Středočeský	55 925	4,5	4,4
Jihočeský	14 862	2,4	4,3
Plzeňský	24 394	4,3	6,3
Karlovarský	19 392	6,3	10,9
Ústecký	30 699	3,7	10,1
Liberecký	16 588	3,8	7,8
Královéhradecký	14 541	2,6	7,7
Pardubický	11 585	2,2	6,4
Vysočina	7 781	1,5	5,7
Jihomoravský	35 332	3,1	6,8
Olomoucký	9 627	1,5	7,6
Zlínský	8 053	1,4	7,3
Moravskoslezský	22 831	1,8	9,7

Source: [http://www.czso.cz/csu/cizinci.nsf/t/DA004EF7AA/\\$File/c01t02.xls](http://www.czso.cz/csu/cizinci.nsf/t/DA004EF7AA/$File/c01t02.xls)  
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## **Conclusion**

Immigration to the Czech Republic (with the current parameters) can eliminate the demographic trap in which the European countries at present. Relatively favorable is the ethnic composition of most immigrants (people from a related language and cultural sphere). While there are some risks, but the labor market in the Czech Republic is less affected by immigration than is usually stated.

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