

## THE SOCIAL ECONOMIC SITUATION AND ITS IMPACT ON LABOUR MIGRATION IN THE SLOVAK REPUBLIC

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### **Abstract:**

*The economic crisis has affected most of the countries in the world and its consequences felt by nearly everyone in various fields and forms of life. Among its most serious consequences is included the rising of unemployment, as well as the expansion of poverty, which did not avoid the Slovak Republic, too.*

*The current economic crisis, as well as the previous one from 1929, are related to the indebtedness of citizens when by consequences of changes at the labour markets may occur problems with repaying of their debts. Resulting in commitments to several of institutions which are citizens not able to pay, unemployment, as well as the deterioration of the living standards of the affected family.*

### **Keywords:**

*Migration, labour migration, socio economic problems.*

### **LABOUR MIGRATION**

In late 90s of the last Century was observed an increase in permanent immigration, as well as in temporary labour migration. Relocation was primarily from South to North and from East to West. (Lidák, 2010). An increase in migration is considered by Garson (2003) as a result of the development of information and communication technologies, as well as in the health and education, which necessarily needed an influx of new labour force with a certain education. Excellent source of skilled labour were mainly students from abroad. Labour migration in itself, is encompassing unskilled labour in some sectors, such as agriculture, construction, as well as supporting jobs at home, which was related

mainly to Greece, Italy, Spain and Portugal. Individual host countries have sought to promote labour migration through state policy. (Baršová, Barša, 2005).

Temporary labour migration has by Doudeijns (2003) various forms:

- Migration, which is caused by labour shortages with some professional qualifications or a particular sector
- Migration linked to investments
- Migration-related to international obligations and with the movement of employees working in multinational companies.

"The labour immigration is often seen as a factor which could play a role in

mitigating of the impact of population aging, balancing of the deficits in the pension systems and in increasing of the competitiveness of the economy." (Baršová, Barša, 2005, p. 89).

In recent years, European Union countries agreed on the following points (Baršová, though, 2005):

- Labour migration can be seen as immigration leading to the settlement, so it is important not to forget the maximum integration capacity of the society.
- The key is considered desirable immigrants immigration - educated and highly skilled workers. Management, strengthening, but mostly support of this type of migration is a policy objective for all EU countries.
- Promote the complete liberalization of certain segments of the labour market. This applies primarily to high-level experts, researchers, scientists, managers and workers as professionals. These migrants contribute to the success of the entire European Union to compete in a competition, where the individual talent and initiative are the most valuable resources.
- Acceptance of foreign workers as immigrants brings with it the need for their integration. Therefore, the relationship between immigrants and the State must be seen as a process of civil integration of the immigrants. On how the migrant will be integrated into society decide his/her ability and willingness to adapt.

- Due to the existence of the European Union as a free area without internal frontiers, each state carries a huge responsibility for accepting immigrants on common territory in respect to other Member States and the European Union as a whole.

Conditions for obtaining a work permit in the various countries differ. However, in general for the work permit must request the competent authority, which in the Slovak Republic is the Ministry of Labour, Social Affairs and Family, and all embassies and all the embassies representing foreign states. There are also exemptions for certain groups and individuals. For example, France and Germany prefer the conditions of minimum income and the highest educational attainment. The UK and Ireland have provided official lists of fields in which are struggling with the lack of available labour. If labour migrant meets all the criteria required arrival in the country is much easier. (Baršová, Barša, 2005).

#### **THE ECONOMIC SITUATION AND ITS IMPACT ON LABOUR MIGRANTS IN THE SLOVAK REPUBLIC**

Slovak or Czech Republic don't belong to the most attractive countries in the European Union, in which the migrants will seek a better life for the prosperity of both countries. Toward us is heading, however, many immigrants workers, whether skilled or unskilled. By impact of the improved economic situation in Slovakia, the labour market expanded, however, by the adopting of some bad decisions in recent years (for example, interference of secondary

vocational schools) occurred problem which has caused labour shortages in certain disciplines and in positions that do not require high qualifications. These are mainly supporting and cleaning services. Increased boom in construction work and the lack of personnel with adequate expertise in this sector (mason, carpenter, and glazier) contributed to the arrival of labour migrants, mainly from Ukraine, Russia and Vietnam. (Mauritzová, Bugri, 2010).

By Slovakia's accession to the Schengen area in December 27, 2007 was reduce the number of illegal migrants into the Slovak Republic. However, with the onset of economic crisis in the second half of 2008, the situation in Slovakia has significantly changed. The reason was the declining number of contracts, decreased export of goods and higher unemployment of the majority population which was caused by the crisis. This caused also the loss of interest in migrant workers from abroad, as well as the flourishing of the illegal employment of foreigners, who are still willing to work for much lower wages than native citizens. (Mauritzová, Bugri, 2010).

We distinguish between two periods of development of labour migration in the Slovak Republic:

- The first period dates back since the establishment of the Slovak Republic on 1 January 1993, when residents and refugees with granted asylum did not need any permission to do business or take up work. To work were not permitted only asylum seekers and persons with tolerated stay. (Divinský, 2004). Labour migration in the Slovak Republic

was regulated through bilateral agreements on employment of foreigners between the Slovak Republic and Vietnam, the Czech Republic, Russia, Ukraine, Germany, Poland, Hungary, Switzerland, France, Belgium, Finland and Luxembourg. The purpose of these agreements was to reversible facilitate employment of citizens in those countries. (Divinský, 2005).

- The second begins May 1, 2004 by entry of the Slovak Republic into the European Union and European Economic Area, by which Slovakia was committed to the principle of free movement of labour. According to the Act no. 5/2004 Coll. on employment services and by subsequent legislation, the citizens of the Member States and their family members have the same status as citizens of the Slovak Republic. The free movement of migrants - citizens of the European Union with their families - applies to seasonal workers, temporary workers and to workers living in border areas. (Divinský, 2005).

In most Member States of the European Union consists the migrants coming to the country for work, a highly positive element at the international labour market. Compared with them, the Slovak Republic does not record excessive migration into the country of foreigners who wants to work. However, it is very important that we are adequately prepare for the future. Also as by Divinský (2005) it is a high probability that the Slovak

Republic gradually manage to get closer to the developed EU states and becomes unlike currently attractive host country for labour migrants.

If we want to determine official statistics on legal labour migration in the Slovak Republic, there are accessible only limited resources. Even more difficult is to obtain data on illegal labour migration. (Košta, 2003).

### **LABOUR MIGRATION OF THE SLOVAK CITIZENS**

After November 1989, and in particular by the accession of Slovakia to the European Union began to leave thousands of Slovak citizens abroad. Many people uses and are using currently open borders for business trips or holidays. However, many were leaving abroad for much longer, either to study, work or to live permanently. The cases of emigration of citizens have been different, mostly due the higher living standards of the recipient country or due better job offers. Therefore, from these citizens become transnational migrants as they were part of a legal, normative, institutional and of course the political system of two or more States, where they can exercise civil rights in relation to both governments.

Several states now officially recognizes dual citizenship and nationality, which is a very important basis for expansion transnationality and transnational citizenship. (Glick-Schiller, 2005). The Luther (2006) survey shows that Slovak labour emigrants have been incorporated into transnational communities. Their multicultural environment affects their identity and a new world view. Trans-nationality is perceived as

a path that opens the way to tolerance to surroundings, it helps to overcome the fear of diversity and teaches us to fully exploit the potential of trans-national migration and of its actors. Luther (2006) further distinguishes these characters of transnational migrants:

- Citizens are part of normative, institutional, legal and political system of two or more States.
- They are maintaining and strengthening the multilateral social relations, thereby establishing a social network, crossing cultural, political and geographical boundaries.
- They have several identities and are easier to identify with the larger transnational area.
- Home for them is not dependent on one place and culture.
- They adapt quickly to a new environmental and new conditions. Adopting a new culture, but rarely undergo with the culture and are assimilated.

Transnational mobility and migration of people is currently perceived as well as by Luther (2006) as a natural part of modern life represented in a global world.

### **LABOUR MIGRATION IN THE SLOVAK REPUBLIC**

Internal migration of the Slovak population for work can be recognized by the change of residence, if the person, who moves, is indicating the reason for this change the shortening of routes into employment or start at a new employer. According to the Statistical Office of the Slovak Republic is the mobility of our

citizens to work in the country relatively low. It follows, that neither the offer nor the demand for labour in the labour market doesn't significantly affect the permanent residence. We could justify this by the high prices of real estates and of housing costs in cities, which are often prohibitive for potential migrants. (Jurčová, 2008).

The share of Slovak citizens and immigrants with permanent stay in our country between years 2003 - 2011 is showed in Graph No. 1 which shows that the migration of Slovak citizens, in comparison with migrant workers from abroad is actually very low.

**Graph 1 Share of Slovak citizens and foreigners on the total number of immigrants with permanent residence in the Slovak Republic in the period 2003 - 2011**



Source: Statistical Office of the Slovak Republic

Internal mobility of citizens looks prospectively into the near future stable. According to the Institute of Informatics and Statistics of the Slovak Republic only a small percentage of people (4%) who move within the region states as the reason change or to be closer to work. Little bit different it's looking with the migration of population for occupational reasons beyond the territorial units, the number of such migrants is more than double (10%).

According to Jurčová (2008) has obtained degree of population only an indirect effect on labour migration. With this argument, we do not identify. We believe that educational level affects a lot

possibilities of citizens to be successful at the labour market and thus often also need to find adequate work outside of permanent residence. People with lower levels of education (secondary vocational schools) are generally moving only in the territory of their district. Within the region are already more likely to move people with upper secondary education. Citizens who have acquired secondary diploma, often have no choice but to move even a few hundred kilometres, only to find a job corresponding to the acquisition of their expertise, such as specialists. The largest influx of migrant workers is in Bratislava region and the places where come large

foreign investors such as KIA Slovakia in Zilina, Samsung in the Nitra region or via expansion of production of PSA Peugeot Citroen Slovakia in Trnava. (Jurčová, 2008).

### **ASPECTS OF CITIZENS MIGRATION FOR EMPLOYMENT**

For residents of Slovakia and the Czech Republic was the offering of work abroad always very attractive. Even at present time, citizens of both countries use labour migration in its entirety. The main reasons to go to work abroad is the vision of rapid earnings and higher wages, the opportunity to better skills and abilities, but often also lower cost of living compared with home. Therefore are migrants at the beginning willing to adapt for a shorter time even to tougher conditions. Seasonal or temporary labour migration often used just university students, who during the summer holidays go abroad to gain extra income. If the migrant has university degree or technical and is professionally skilled, has a better chance abroad to find a job with an adequate valuation. (Jurčová, 2008).

According to estimates after the Slovakia's accession to the Schengen area in 2007 took advantage of the free labour market abroad about 220,000 Slovak citizens. Labour migration has intensified in this period and throughout Slovakia, where began to show large differences in unemployment rates between regions. The highest unemployment rate was recorded in the southeast part of our country, which is in the districts of south-eastern Slovakia. Mentioned areas are the most vulnerable in particular because of the migration of

economically active citizens to work in other regions. (Jurčová, 2008).

We believe, that for the temporary labour migrants with Slovak citizenship are countries using foreign currency not as lucrative and profitable, than it was before the outbreak of the current economic crisis and trough the entry of Slovakia into the Euro area since the euro has strengthened significantly against the other currencies. We also experience gradual start of the economies of the Member States of the European Union.

### **MEASURES OF THE LABOUR MARKET IN THE SLOVAK REPUBLIC**

According to the Act no. 5/2004 Coll. on Employment Services could Offices of Labour, Social Affairs and Family provide a variety of financial contributions in the form of active measures to promote employment and, indeed, labour migration, namely:

- For commuting to work. The monthly allowance serves as reimbursement of travel costs on public transport, vehicles needed for the attendance from the permanent or temporary residence to place of work and back. The grant applicant must apply only in writing. It is provided the most in the amount of € 135 per month up to six months of starting employment. Its height depends at the distance between work and residence.
- For relocation for work. The benefit is partially compensation for the expenditures, directly related to the relocation of

jobseekers from the place of residence to the new residence. The applicant is entitled to an allowance if the length of this distance was less than 50 km. The maximum contribution is € 1,327.76. Provable expenses include for instance the first rent, or the first payment relating to the use of dwelling.

- For transportation to work. Allowance is paid to employers who provide their employees daily transportation to and from work. The employers are entitled when public transport vehicles not perform transport in the necessary extent.

Slovak Republic would certainly needed to develop programs and measures that would help attract skilled migrants with a certain expertise, because in some sectors of the Slovak national economy is a significant shortage of labour. Slovak Republic is struggling with negative demographic trends within the aging population and with significant difference in the rate of unemployment in individual districts. This requires:

- Gradually increased job mobility of people willing to commute to work to regions with labour shortages.
- Changing the education system in schools so that students training is more focused and managed by the labour market and by the possible lack of working power in the sectors with shortage, to compensate with foreign migrants in response to labour market needs.

Domonkos, Páleník, Radvanský (2010b, p. 18) noted that in addressing of the issue of migration due to labour shortages in certain sectors we cannot "treated it as a separate element of the labour market, but must be seen as part of the overall labour market in the country and following the situation at the labour market, the employment of Slovak citizens and nationals of Member States of the European Economic area, who have the community priority."

In Table 1, is indicated estimated deficit of workers in certain sectors into the future (2030). For example, within the goal of the Slovak Republic to tighten 90 to 100% of the performance of the European Union, would have to fight with serious problems such as acute labour shortages.

*Table 1 Estimation of the needs of workers and the deficit (rounded)*

<b>The EU performance level achieved by the Slovak Republic in 2030</b>	<b>The required number of employees in thousands</b>	<b>The deficit of workers in thousands</b>
75 %	2 400 – 2 450	320 – 420
80 %	2 500 – 2 600	450 – 550
90 %	2 550 – 2 650	500 – 600
100 %	2 650 – 2 800	580 – 720

*Source: Long-term vision of development of Slovak society, p. 89*

Illegal migration has on the host country greatest impact in the social and health care area, as it is required to treat the foreigner in case of an accident or acute illness. When the migrant does not have health insurance, the Health insurance Company will not cover his/her treatment. (Mauritzová, Bugri, 2010). Therefore, the Slovak Republic, in order to prevent this, use as prevention of illegal migration, practical measures, such as are awareness campaigns and activities aimed at improving knowledge about the host country in the Third World.

In cooperation with non-governmental and international organizations carried out activities that inform foreigners about the legal opportunities for entry, residence and employment in our territory. This information is also available on the website of the competent ministries in Slovak and English language, on the website of the International Organization for Migration and of the Slovak diplomatic missions abroad. They provide different kinds of advice on various areas of life in Slovakia. Another tool in the fight against illegal migration and illegal employment of migrants is to check their visa requirements and work permits prior to their arrival at the external border of

the state. Furthermore, technical and material resources for members of Border and Foreigner Police, such as computers and scanners, portable readers of documents, apparatus for recording digital facial images, UV lamps, fingerprint readers. The Slovak Republic by conclusion of the Schengen agreement uses within the elimination of illegal migration also information and video surveillance systems. (Mrlianová, Ulrichová, Zollerová, 2011).

Among the practical measures are already in our country included compensatory measures replacing internal border controls. In terms of controls to detect illegal residence and illegal employment of foreigners and subsequent deportation to their countries of origin. Alternative to legalize their stay in Slovakia are considered further practical measures, i.e. allow the illegal migrants to file an application for asylum, thereby avoiding expulsion from the country (Mrlianová, Ulrichová Zollerová, 2011). In § 68a and § 68b of Act no. 5/2004 Coll. on Employment Services, are provided important labour market measures designed to prevent illegal work and illegal employment in the form of penalties for employers, who do not fulfil their tax obligations to the state, but also to such



illegally employed persons. The fine can impose the Headquarter of the Office of Labour, Social Affairs and Family.

### **EMPLOYMENT OF FOREIGNERS IN THE SLOVAK REPUBLIC**

The Slovak Republic has seen a growing number of immigrants into its territory after its accession to the European Union. The year 2007, when the European Union expanded including Romania and Bulgaria, was for Slovakia the year with large numbers of immigrants. Until then, the two newly accepted countries citizens needed permit for to stay longer than three months. Only 7% of immigrants reported as the reason for their relocation work reasons. According to the region's most migrants came to the region of Bratislava, Trnava, Trenčín and Nitra. Less attractive regions for immigrants were Presov and Kosice. The Slovak Republic is one of the countries with a small number of foreign immigrants. (Jurčová, 2008).

If a foreigner coming from third countries is interested in working in the Slovak Republic, he/she must obtain a working permit. An application for a working permit must submit either an employee or potential future employer, but this must happen before the foreigner crossed the borders of the Slovak Republic. Each application is assessed individually as well as considering of the current situation on the labour market in Slovakia. If the foreigner is employed under an international agreement on employment, it can be employed without regards to the labour market. When he/she obtain an employment permit, he/she may apply for temporary residence permit in the Slovak

Republic in respect of labour migration. In case the foreigner with temporary residence wants to replace the employer must re-apply for a new work permit.

Different rules apply to citizens from the European Economic Area, Swiss citizens and their family members. Law no. 5/2004 Coll. on Employment gives these citizens equal opportunities in employment as have citizens of the Slovak Republic. It also allows them freedom of movement without discrimination.

On the basis of Council Regulation of European Economic Community No. 311/76 on the compilation of statistics on foreign workers, has the Slovak Republic statistical obligations on the movement of foreigners for work in the Slovak Republic. The data in the Slovak Republic collects and processes Headquarter of Labour, Social Affairs and Family. Bilateral agreements obligates the employers to report trough the information cards the move of working foreigners. It is their duty to report the end of employment relationship or if they send them for work performance. (Jurčová, 2008).

### **CONCLUSION**

Labour migration allows employees to carrier placement in the labour market, acquire new knowledge and experience, getting to know new and different cultures, and the extension of language skills. On the one hand, labour migration brings positives already mentioned, on the other hand, hides some negative, which is especially emigration of young and perspective people, but mainly economically active people abroad following the subsequent absence of those residents of the home country. Surplus

of force in certain sectors makes the wages of the national economy not to grow, even in these sectors they are decreasing. Every country should strive to create enough job opportunities for every citizen and fight by all available means and measures for reducing the rate of unemployment in the country.

In the second half of 2008, was the Slovak Republic, like other European Union Member States, hit by the economic crisis. Its impact on our economy as well as inadequate spending of government funds, meant that there was an imbalance between supply and demands of the labour market, which unfortunately continues even today. Matyšák (2015) says: the state was forced to save and to stop supporting the development of medium and small businesses.

This contributed to an enormous reduction of job positions at the labour market, as well as in significant decline in the creation of new job (Matyšák, Tůma, 2015). Impact of the economic crisis in some regions significantly deepened unemployment. This limited the interest of employers to employ foreigner migrant workers, which helped the flourishing of illegal work as between migrants also by the majority population (Slovák, P., Masaryk, V., Matyšák, P. 2014).

Slovak Republic, among other difficulties must begin to address the serious problem that is caused by the reorganization of curriculum in secondary education, but mainly by reducing of interest of young people into unattractive, physically carried out and supporting paraprofessional. In general for this types of work is very little interest, since in recent years is a growing number of people

studying at the universities, by which they complement and extend their education and work attractiveness to employers. By means of these factors is Slovakia struggling with labour shortages, particularly in certain sectors of expertise at some of the national economy sectors and is forced to deal with this situation by taking of migrant workers from abroad.

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