POPULATION, LABOUR MARKET AND MIGRATION IN THE CZECH REPUBLIC

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The notion of the European continent being transformed into a vast old people’s home, of an existence which will depend on an ever decreasing productive population is the nightmare of certain politicians, experts and general public. How can the ever poorer and ageing population of countries, surviving when their working potential of which is falling? Can such development result in another economic migration of Easterners to the West?

The Czech Republic has just become a new EU member state. It is not one of those countries whose inhabitants are leaving en masse. On the contrary, it has become a target country for work migration from poorer regions. It does have however its migration potential, which may be activated after a temporary period.

Economic migration from poorer to richer regions can be seen from different points of view. It is necessary to differentiate the pragmatic and human aspects of the problem. From the pragmatic point of view an individual’s concern to work in the most advantageous working and wage conditions is completely legitimate. Equally legitimate is the question of how this individual will contribute to the pension system of the country in which was brought up and educated. The employer’s wish to pay minimum wages as a pragmatic point of view is also legitimate; it makes them more competitive in the market. Who, however, will be willing to work under conditions whereby wages do not cover even the essential costs of living, is yet another legitimate question. The development of employment shows that the number of such people is decreasing. Where will the government obtains funds for ever increasing social expenses, under conditions of increasing unemployment and an ageing population? This and similar questions will have to be answered. What will be the result of government steps aimed at increased employment in a situation where government is no more a prevalent employer? The government cannot order private entrepreneurs who to employ and how to pay their employees; it can, however, stipulate the minimum wage, which should cover the cost of living of families. It can also control whether legislation is being observed and the grey economy is not expanding, and whether there is discrimination in the labour market.

Population and demographic development

Decrease of population due to low natality continues for 10 years. Number of deaths exceeded number of live births. In the period 1990-2003 the Czech population decreased by 161 thousand. A natural population decline was during the entire period slowed down by a positive net migration, and this resulted in 2003 in a modest population increase. Pursuant to a preliminary statistical balance the population of the Czech Republic was 10,211 thousand (31 December 2003), increase by 8 thousand on 2002.

The Czech population may be stabilized to a certain degree only with the synergy of high fertility rate, low mortality and high positive net migration. But even relatively favourable development of the three coactive factors does not have to prevent population decrease as projected by demographic experts. Positive net migration may compensate for expected population development for a limited period and prevent a population decrease to under 10 million. Estimates extrapolating current data, not taking into account migration effects, lead to average age 54 years in 2050, a value so far unique worldwide.

Proportion of men and women in the total population remains steady (51% women, 49% men), but the age structure of population is changing. Since the foundation of the independent Czech Republic the proportion of children under 14 declined by 5%, which is an
unusually rapid decline; substantial was also decrease of number of young people in the age group 15-19 years. On the contrary a share of age groups 40-64 years and over 65 years grew. The trend of ageing population will continue. Growing pressures on higher education and qualification will lead to extension of the period of professional vocational education and postponement of entering of the youngest part of the work force into productive life. Experts are concerned that as a result of a negative population development there will be in long-term prospect a lack of work force in the labour market (estimated at 420 thousand in 2030) essential for functioning and development of economy.

Development of the labour market

Decline and ageing of the Czech Republic population is accompanied by decrease of economic activity and by increases of unemployment. Number of vacancies is falling and number of applicants per vacancy is growing.

Gradually a structure of employment is changing; majority is still made up of employees, but a share of entrepreneurs is increasing. The share of entrepreneurs in the Czech Republic is higher than average of the EU-15. Most rapidly is growing the number of entrepreneurs with no employees, on the contrary, number of entrepreneurs with employees is declining. Such a situation is to a certain degree result of apprehension of employers from responsibility for their employees. So called „Schwartz system“ is thriving; entrepreneurs are being hired by other entrepreneurs as sub-contractors for works, which is of dependent nature and usually are being performed by employees. This system decreases unemployment to a certain degree, but position of self-employed is very unstable.

Pressures in the labour market as well as population’s cost of living are growing. Prices of essential parts of household budgets - housing and foodstuffs - are rising. The present government is striving for reduction of public budgets and deceleration of rate of national debt increase. Conditions for payment of social benefits were made stricter and a pressure is being created to get as many people as possible in the labour market, primarily the ones long-term and repeatedly unemployed. Obtaining qualification and professional skills is a prerequisite for improved position in the labour market. Government would like to increase employment of older people and envisages further extension of retirement age. Increase of general employment of population is only possible provided that sufficient numbers of vacancies are created.

Pursuant to preliminary data of the CZSO (Czech Statistical Office) unemployment rate (pursuant to ILO methodology) reached 8.1% in 4.Q 2003, the value comparable to the average of European countries. Majority of unemployed is comprised mainly of persons with lower education, ie. basic and secondary education without leaving certificate (71.5%). The CR’s educational expenditures are only two thirds of the EU average. Government’s goals are to support better education and skills and also to create conditions enabling increased employment of population.

Migration development

The most important role here is that of temporary work migration of foreigners, but the Czech Republic is also an important transit country of migrations in east-west direction. In last few years migration attractiveness of the country is improving due to EU accession perspective and it has been changing into a target country for immigrants, mostly for foreigners from the East European and Asian countries.

The Czech Republic has become, from immigrants’ point of view, an attractive country already in the beginning of nineties, thanks to the process of basic political and economic
changes aiming at creation of democratic political system and market economy. Opening up of frontiers in 1990 and a liberal migration policy have launched important migration motions, intensiveness of which is gradually rising. Initial fears of high emigration of the Czech citizens abroad did not materialize and the Czech Republic started to record significant migration gains.

Throughout the entire history of the former Czechoslovakia, migration from Slovakia to the now Czech Republic was of major importance. Birth rate in Bohemia and Moravia were historically much lower than that of Slovakia; on top of that difference in economic conditions of both parts of the state attracted Slovak citizens to more developed Bohemia and Moravia. These migration processes still continue, despite the split-up of the common state. Immigration from Slovakia makes up a major part of the total external migration and concerning labour migration it is by far the most important source country. After WWII migrations of Slovak Roma to the Bohemia and Moravia were significant. This trend continues thanks to the strong social/family ties of the Czech and Slovak Roma. A permanent immigration from Slovakia is further encouraged by language and cultural proximity, existence of family ties and social net created throughout the common history. It is not expected that after full accession to the EU of both countries any major changes both in extent and structure of migration between the two states occur.

Since the beginning of the nineties major economic migrations are under way, which until that time were of only of a temporary nature. Necessity of a stronger central control of migrations as well as of reducing illegal migrations brought the Czech government to introducing a system, which should in the future saturate needs of skilled work force by means of controlled migration. Last year (in July 2003) a pilot project of controlled migration of skilled workers was launched. The CR government was inspired by the Canadian model of selective immigration. The project offers to selected qualified experts and their families members a permanent settlement within shortened period (2.5 yrs instead of 10 yrs required by law). The Czech government is not responsible for employment, visa and accommodation of applicants. First 114 foreigners (from total 126 applicants) were selected last year.

The Czech government has prepared a concept of integration of long-term legally settled foreigners already in 1999 and aims at approximation of legal position of all foreigners and CR citizens. EU citizens have with respect to employment and conducting business the same position like CR citizens.

Migration processes which are in progress in the Czech Republic are in many aspects similar to those occurring in some of the economically weaker member states of the EU (EU-15). Share of foreigners in total population (2.3%) in the CR is comparable to that of Finland, Italy, Portugal and Spain. Compared to the EU accession states (EU-10) the Czech Republic has roughly the same share of foreigners like Slovenia, Estonia registers ten times higher share, remaining EU-10 countries by half or even lower than the Czech Republic.

Foreigners with residence permit represent currently over 2% of the total Czech Republic population and over 3% of the labour force, compared to less than 1 % for both ratios in 1993. The number of foreigners with permanent residence permit is gradually growing and temporary migrations are turned into permanent ones, sometimes resulting in naturalisation. In the period 1999-2003 the Czech citizenship was granted to almost 25 thousand of foreigners. Majority of naturalized foreigners is comprised of former Slovak citizens.

The Czech Republic is a target country of immigrations originating mainly in the region of Central and Eastern Europe, and this trend is strengthening. In the beginning of nineties Czech compatriots made up significant part of immigrants, gradually their number declined. Spectrum of migration source countries has widened, changes are recorded also in structure
of migration movements. Eighty per cent of immigrations to the CR originate in Europe, seventeen per cent in Asia. The most important immigration source country for the CR is Slovakia (28% residence permits) followed by Ukraine (26%) and Vietnam (12%).

The Czech Republic has become a member state of the European Union, and EU citizens will be able to work and settle in the CR. EU-25 citizens’ share on the total number of foreigners holding the CR residence permit is currently 40% (34% accession states citizens, 6% EU-15 citizens). In the EU-10 group Slovaks make up 80% of the total, Poles 19%, the share of other accession countries is negligible (situation at the end of year 2003). In the EU-15 group highest share have citizens of Germany (37%), Austria (14%) and United Kingdom (13%). Number of residence permit holders - German citizens increased between 1994 and 2003 (end of year values) by one thousand (from 4.2 to 5.2), Austrians remained stable (1.9 thousand), UK citizens increased from 1.4 to 1.7 thousand. It is obvious from the above values that number of EU-15 citizens holding the CR residence permit is increasing very slowly. The only significant increase in the period 1994-2003 was recorded for the total number of residence permit holders from the EU-25 group for citizens of Slovakia (from 16.8 to 64.9 thousand), number of Poles decreased (from 20 to 15.8 thousand).

In the group of foreigners holding residence permit from other countries most significant are Ukrainians, in the period 1994-2003 their number increased from 14.2 to 62.3 thousand and Vietnamese (from 9.6 to 29 thousand).

Three quarters of foreigners with residence permits in the CR (both temporary and permanent) may be considered settled since the length of stay exceeds one year. This number is increasing, 164 thousand in 2001, 179 thousand in 2002 and over 180 thousand in 2003.

**Labour migration**

According to data obtained in the Labour force sample survey (LFSS) carried out by the CZSO in 2002, there were 202.2 thousand of foreigners (4.1%) from the total number of persons having main employment in civil sectors of national economy 4,894.9 thousand. These numbers represent annual averages for 2002 and refer to foreigners holding residence permit (both temporary and permanent). As far as professional status of employees is concerned, the total number of the Czech Republic citizens was 4,052.7 thousand (82.8%), total number of foreigners 112.4 thousand (2.3%). The group of foreigners consists mainly of 42.4 thousand (0.9%) foreigners with work permits and 60.1 thousand (1.2%) Slovak citizens registered by the CR labour offices. From total of 841.7 thousand self-employed CR citizens there were 89.8 thousand foreigners (1.8%), of which 62.3 thousand (1.3%) were trade licence holders. Numbers concerning foreigners in the CR labour market obtained in LFSS are according to expert opinion undervalued by about 27 thousand. Employee status is most frequent among foreigners, however proportionately much higher number of foreigners is self-employed than that of the Czech working population; foreigners: 56% employees, 44% entrepreneurs; Czech population: 83% employees, 17% entrepreneurs (LFSS, 4.Q 2002).

At present there are two basic categories of foreign workers in the CR labour market; the first comprises all EU citizens with free access to the labour market (until accession this applied only to Slovak citizens), the second group (decreasing one) are foreigners with work permit. Steadily growing is number of foreigners who are choosing other (besides trade licence) legal form of access to the CR labour market; these forms are not statistically recorded in detail. Proof of their growing share may be obtained from analysis of purpose of stay of foreigners with residence (both temporary and permanent) over one year. In 2001 total 24
thousand persons, in 2002 almost 27 thousand made business pursuant to other form than
trade licence.

At the end of 2003 the following structure of economically active foreigners with temporary
residence in the Czech Republic was recorded: 28% foreigners with work permit, 35%
Slovak citizens registered by the CR labour offices (not required to have work permit) and
37% foreigners with trade licence. Extent of labour migration, which can be controlled by
such instruments like work permits and bilateral agreements is narrowing. EU citizens do not
need work permits any more and there is a growing number of foreigners either self-
employed or doing business in another form.

In 1997 the share of foreigners in the total population was 2% and the share of temporary
employed foreigners in the total CR labour force 3.8%, in 2003 these shares changed to
2.4% for population and 3.2% for labour force. Among causes of the relative drop of
foreigners’ employment are increasing tension in the labour market and also a natural
process of social integration of foreigners. Settled employed foreigners are step by step
followed by their family members. Share of economically non-active foreigners will increase
like in other countries. The Czech Republic will gain by immigration not only additional labour
force but also a potential for its labour market.

Non-economic causes are frequent amongst purposes for residence of foreigners. In 2002
purposes of residence of foreigners were spilt up as follows: employment or business 51%,
family reunion 46%. Share of residing women was 40 %. Majority of them (61 %) were
granted their residence permit for family reunion purpose or permanent settlement, 37% for
economic activities.

The Czech Republic labour market is attractive primarily for citizens of economically weaker
countries; accordingly most workers come to the CR from Slovakia, Ukraine, Vietnam and
Poland.

Amongst combined (men and women) foreigners with temporary residence permit working in
the CR there are 28% of women, the highest proportion of women is in the foreigners’ group
with work permits (29%).

Major part of foreigners with work permit are foreigners between 20-49 years, the most
numerous group is that of 30-39 years. Amongst the group of foreigners - trade licence
holders - the age group 25-54 years prevails, the most numerous one is 25-39 years. In the
CR labour market the most successful are women under 30 years of age, in the age group
19 years they make up even majority of women with work permit (end of year 2003).

Foreigners with work permit usually perform manual-skilled/low-skilled work, being mainly
employed in the manufacturing or construction industries as machine or equipment
operators. The group of managers and experts is among foreigners with work permit less
numerous, its share is commensurate with the share in the national economy. Difference in
professional positions of foreigners with work permit in the CR labour market is given mainly
by their nationality. Whereas foreigners from the OECD countries are employed in highly
qualified professions of experts, foreigners from the Central and Eastern Europe countries
(CEEC) usually work in positions of skilled workers, workmen and low-skilled workers.

Foreigners mostly occupy vacant jobs with no requirements on skills or qualification. The
absence of requirements on professional education or qualification implies that it is a low-
grade job. Native workers who have certain degree of qualification refuse such vacant jobs,
and these may be offered to foreigners. In such a way employers by-pass the Czech
employment act and it is easier for them to obtain labour office approval for employment of
foreigners. They do not state specific requirements on education for reported job vacancies as imposed by legislation precisely for the reason to be able to fill such vacancies temporarily by foreigners.

Employers prefer temporary employment of foreigners mainly in skilled and non-skilled worker professions for several reasons; foreigners do not have high professional aspiration, accept wage offers and do not press on its increase, their requirements with respect to working conditions and environment are not excessive. Compared to the domestic labour force they are more flexible both professionally and territorially. They arrived to the Czech Republic so as to earn as much as possible in the limited period and their work requirements are adapted to that goal. They are willing to work longer than standard working time including weekends and public holidays and therefore their position is more competitive compared to domestic labour force.

Foreign labour force is desirable for employers especially when it is hired for temporary period specified in advance. Standard type work contracts concluded usually for unlimited period worsen foreigners’ competitive position in the labour market. The same rules have to be applied by employers to foreigners as to the Czech citizens in the same work places. Employers must apply to foreigners the same rules as to the Czech citizens in the same work places. In case of dismissing employees they must pay severance pay to those employed pursuant to unlimited work contracts. Foreigners accept low wage jobs because in most cases they bring their saved earnings home and make profit on different purchasing power of national currency and cost of living in home countries.

Recommendations which can be formulated on the basis of the above mentioned findings do not refer so much to foreigners but rather to manner and forms of employment in general. Flexibility and minimum protection surely increases attractiveness of temporarily hired foreigners from the point of view of employers. It is necessary however to emphasize „temporarily employed“. Wages must cover cost of living of families of both Czech citizens and foreigners settled there. Cost of housing in the CR is relatively high and probably will continue to rise. Therefore it is not to be expected that permanently settled foreigners will be for employers a source of cheap labour. They will have the same aspiration like domestic workers.

Conclusions

All accession (EU-10) countries recorded during last decade declines in population caused by low birth rate and economic emigration. The Czech Republic shows the lowest birth rate of any European country. Immigration offsets the population decrease caused by natural processes but it is insufficient to outweigh it. Only in 2003 exceptionally high net migration resulted in a modest increase of total population.

The government of the Czech Republic responds to unfavourable population and demographic development by introducing measures in family policy, aimed at encouragement of the birth rate and improvement of economic position of young families. The average age of Czech inhabitants increased in last decade - in 2001 census recorded CR average age 38.8 years (age median 36.6); at the end of 2002 it increased to 39.3 years. Higher retirement age and extension of economic activity of at least of part of retired people is one of ways, according to the Czech government, how to address declining employment. At the same time it encourages all legal forms immigration and strives for their stabilisation. The pilot project of selection of qualified foreign labour force inspired by a Canadian system should in the long run help to increase labour potential of the country.
Free movement of the labour force inside the Community is one of the four freedoms on which the EU is based. Labour market gaps in EU member states (imbalance of supply and demand) should be filled primarily from internal EU sources, i.e. by EU member states citizens, and not by citizens of the third countries. Majority of EU-15 member states (except UK, Ireland and Sweden) however do not give up its right to introduce transition period for their labour markets for EU-10 countries citizens until minimum 2006. Particular conditions for free movement of the labour force among individual EU-15 and EU-10 member states will be negotiated later. For movement of workers from the CR to EU-15 countries status quo is in force for the time being. EU-10 countries mutually opened up their labour markets as of the day of their EU accession.

All developed countries are struggling with lack of qualified experts and compete for human resources. Some of EU-15 member states organize for several years a controlled immigration of skilled labour force, at the same time paradoxically preventing arrival of needed workers from new EU-10 member states. Fears of their general public of massive immigration from new member states are the most important political reason. Neither EU-10 public wishes exodus of its most capable people, even though it cannot be prevented. After expiry of transition period part of young qualified labour force will be free to move to any EU member state, which will offer better living conditions and wages. The Czech Republic government anticipates such a development and undertakes already today measures aiming at securing present as well as future needs of the indigenous labour market by means of controlled immigration.

The membership of the CR in EU means a breakthrough in area of external labour migration. The Czech Republic labour market is open to all citizens of EU-25 member states without any restrictions. EU-10 accession states have not introduced any transition periods which would restrict free movement of labour force. To find out what changes have actually taken place will only be possible by end of this year, since an amendment to the act on employment, which should address registration of EU citizens in the CR labour market, has not been so far passed by the Czech Parliament.

To what extent will be possible necessary qualified labour force fully supplied from internal EU sources is still an open question. Concerning labour migration, traditional source countries are Slovakia and Poland. Hiring of qualified labour force from „third countries“, for which the Czech Republic remains so far an attractive migration destination, seems to be a reasonable option under given circumstances.

The Czech Republic does not expect a massive exodus of labour force (mainly experts) abroad in first two years of EU membership. This will prevent not only a prudent policy of EU-15 countries vis-a-vis labour migration from new EU-10 member states, but also some pending question of recognition of expert qualification for a number of professions which are in short supply in EU-15 countries. In the long run the increased drain of expert cannot be excluded, since their chance to get better paid jobs will be higher than at home. On top of that the CR government would not prevent free movement of workers, conversely will strive to shorten a period of two years limiting access of the Czech citizens to labour markets of other EU member states.

Increase of the CR standard of living and in particular of wages will not be probably so fast so as to be able to retain its experts in the long run. For the same reasons neither a massive flux of experts from EU member states is improbable. The Czech Republic has under such conditions no other choice but to hire experts from third countries whereby it is getting into certain discrepancy with EU-15 migration policy which has been restraining labour migration from third countries years for ten years.
Principal difference between policy of the CR and that of EU-15 member states lies in approach to new immigration from third countries. Whereas EU-15 member states restrain immigration from third countries to a minimum and even in case of employment of highly qualified experts from new member states time limited work permits, the Czech Republic does not leave for itself any manoeuvring room for possible changes, which may occur in labour market in respect of supply of qualified work force in the near future.

Neighbouring Germany for instance accepted between 2000 and 2003 total 337 IT specialists from the Czech Republic (249 by end of 2001, only 56 in 2002 and only 12 in 2003). Employment of Czech workers there for purpose of improvement of their qualification and language skills is steadily falling, as well as employment of seasonal workers for three months during one year period. The reason is high employment in many lands of the federation.

Neither Austria, the second most attractive destination of Czech “gastarbeiers”, will open its labour market to all EU-10 citizens. Austrian National Council (Lower House of the Parliament) passed amendment to the act on employment of foreigners, wherein a transition period is introduced for workers from eight of EU-10 countries (with exception of Malta and Greek part of Cyprus). The Council did not stipulate duration of the transition period, only endorsed existing agreements, which enable application of period up to seven years restricting free movement of work force. Bilateral agreement Czech Republic - Austria on mutual employment has been prepared but not accepted by the Austrian Parliament.

Unlike majority of EU-15 member states, which encourage integration of long-term legally settled foreigners and restrict new immigration not only from „third“ countries but also from EU-10 countries, government of the Czech Republic supports a permanent settlement and integration of immigrants from „third“ countries. To foreigners selected in the pilot project of obtaining qualified foreign labour force a possibility of re-settlement is offered. They may obtain permanent Czech residence in a shorter time than normal, 2.5 years (compared to the normal 10 or 8 years stipulated by law). Thereby their legal position very close approaches that of Czech citizens.

Facilitation of access to permanent residence and subsequent possibility of obtaining citizenship in a shorter time may but does not have to stabilize qualified foreign labour force in the CR. In a moment when integration process will be finalized by naturalization, ways to labour markets of all EU member states will become open to selected qualified immigrants. Financial funds and CR government’s efforts then may get totally wasted from the point of view of national economy. The only way how the CR may prevent drain of experts is to equalize their wages and salaries with developed countries.

Estimates of future migration development in the Czech Republic are not easy. There are too many unknown variables so far. Pursuant to opinion of experts established in a separate empirical survey no dramatic changes in flows and structure of external migration after accession of the Czech Republic to enlarged European Union are to be expected. The Czech Republic does not have to make any principal measures concerning temporary control of migration from other EU member states according to experts. At the most possible reciprocal control measures may be considered or control of migration from particular new member states in some clearly defined regions of the CR, industries or professions in case that local labour markets would be in crisis and labour migration from such countries would become massive and could lead to destabilization of these markets. None of experts did not considered control of migration from historical EU-15 member states.

Government of the CR must address not only unfavourable impacts of population and demographic development, but also faces the problem how to deal with increasing
unemployment rate and decreasing employment rate of domestic population. Mere increases of population in productive age would not be solution of national economy problems in situation where there are no jobs for them in the labour market. It would on the contrary increase pressures in the labour market. Current labour market problems in the Czech Republic can only be solved by economic growth accompanied by growing number of job vacancies plus by activating unemployed and economically non-active part of population.

Labour market in the Czech Republic is developing fast. Demand for labour force is not known in sufficient detail and its fluctuations depend on many factors. Current period of economy restructuring brings about changes that are leading to labour force transfers among economy sectors, cutbacks or extinction of traditional manufacturing industries and branches and conversely to growth of tertiary sector, unusual industries and to rise of new ones. Modern society requires a flexible labour market. To be able to find its place in it labour force will have to adapt to prevailing conditions.

Immigration itself cannot solve basic problems of the labour market. Migrations which would be able to reverse unfavourable population and demographic development in the country would have to be massive (in order of tens of thousands foreigners per year). This is prevented by insufficient infrastructure, public opinion and citizens' attitudes. Small numbers of immigrants will not save us and we cannot afford large numbers. Migration may be used as a remedy for solving temporary structural deficits in local labour markets but not for employment problems in general. All legal forms of migration are desirable but it is not possible to build up the future on them. Activation and motivation of domestic labour force should become basic factors for the future.

Note

The pilot project "The active selection of qualified foreign labour" is being implemented by the Ministry for Labour and Social Affairs (MLSA) of the CR. Also participating are Ministry of Foreign Affairs and Ministry of Interior. Project is based on the CR government decisions, No. 975 of September 26, 2001 and No. 720 of July 10, 2002. Its planned duration is 5 years. Those citizens of the selected countries, which live and are employed in the territory of the CR on the date of launch of the project, may enter the project via a special MLSA administrative department in Prague. It is expected that gradually the spectrum of countries as well as total number of selected persons will be extended. Main selection criteria are: achieved education, length of work experience both in country of origin and in the CR, as well as evaluation of family members. Project participants will be granted one month grace period for finding a suitable job unless they lost their last job by their own fault. From the CR pilot project is open only to applicants already staying in the CR with visa over 90 days for employment purpose on the date of launch of the project (July 28, 2003). Other citizens of Bulgaria, Croatia and Kazakhstan, who comply with conditions for filing an application to enter the pilot project after July 28, 2003 (including rejected asylum applicants), may only do so via Czech embassies in Sofia, Zagreb or Almaty. In April 2004 the project was extended for Moldova and Belarus citizens.

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ANNEX GRAPHS

MID–YEAR POPULATION OF THE CZECH REPUBLIC 1946-2003

Mid-year population


PROGNOSIS OF CZECH POPULATION DEVELOPMENT BY AGE (CZSO)

Source: CZSO data, * 2002 real status, www.czso.cz, Graph RILSA, Milada Horakova
EXTERNAL MIGRATION IN THE CZECH REPUBLIC 1990-2000
(End of year)

Source: Population Development of the CR 1990-2002, Department of Demography and Geography, Faculty of Natural sciences, Charles University, Prague, Graph RILSA, Milada Horakova

NET MIGRATION BETWEEN THE CZECH REPUBLIC AND SLOVAKIA AND BETWEEN THE CZECH REPUBLIC AND OTHER COUNTRIES
(End of year)

Source: Population Development of the CR 1990-2002, Department of Demography and Geography, Faculty of Natural Sciences, Charles University, Prague, Graph RILSA, Milada Horakova

NET MIGRATION, THE CZECH REPUBLIC 2001-2003
(End of year)

Source: Czech Statistical Office. Migration in 2002, Immigrants and emigrants: by area, region and district; in 2003 Tab. 5.2. Graph RILSA, Milada Horakova
EXTERNAL MIGRATION, THE CZECH REPUBLIC 2001-2003
(End of year)

Source: Czech Statistical Office, Migration in 2002, Immigrants and emigrants: by area, region and district; in 2003 Tab. 5.2. Graph RILSA, Milada Horakova

MIGRATION BETWEEN THE CZECH REPUBLIC AND SLOVAKIA 2001-2003
(End of year)

Source: Czech Statistical Office, Migration in 2002, Immigrants and emigrants: by area, region and district; in 2003 Tab. 5.2. Graph RILSA, Milada Horakova

MIGRATION BETWEEN THE CZECH REPUBLIC AND OTHER COUNTRIES
2001-2003 (End of year)

Source: Czech Statistical Office, Migration in 2002, Immigrants and emigrants: by area, region and district; in 2003 Tab. 5.2. Graph RILSA, Milada Horakova
FOREIGNER CONTRIBUTION TO THE CZECH POPULATION (DEC. 31)

Source: Directorate of Alien and Border Police, Ministry of the Interior of the CR; CZSO; Population: by area, region and district; in 2003, Tab. 1.4. Graph RILSA, Milada Horakova

FOREIGNERS HOLDING RESIDENCE PERMITS 1990-2003 (DEC. 31)


FOREIGNERS HOLDING RESIDENCE PERMITS BY CONTINENT IN 2003 (DEC. 31)

Source: Directorate of Alien and Border Police, Ministry of the Interior of the CR, Czech Statistical Office data. Calculation and Graph RILSA, Milada Horakova
EU 25 RESIDENCE PERMITS HOLDERS IN 2003 (DEC. 31)

Source: Directorate of Alien and Border Police, Ministry of the Interior of the CR, Czech Statistical Office data. Calculation and Graph RILSA, Milada Horakova

MAIN GROUPS OF RESIDENCE PERMIT HOLDERS IN 2003 (DEC. 31)

Source: Directorate of Alien and Border Police, Ministry of the Interior of the CR, Czech Statistical Office data. Graph RILSA, Milada Horakova
RESIDENCE PERMITS HOLDERS FROM CENTRAL AND EASTERN EUROPEAN COUNTRIES (CEEC), ACCESSION COUNTRIES (EU 10) AND MEMBER STATES (EU 15) IN 2003 (DEC. 31)

Source: Directorate of Alien and Border Police, Ministry of the Interior of the CR. Czech Statistical Office data. Graph RILSA, Milada Horakova
ECONOMIC STATUS OF THE CZECH POPULATION (average)


Labour force = persons 15 + who are qualified to be classified as employed or unemployed.

Employed = all persons over 15 being, during the reference week, a paid employee or employed in own business (at least for one hour during the reference week).

Unemployed = pursuant to the ILO definition, all persons over 15, who, in the given (reference) period, complied concurrently with these 3 conditions: were not employed, were actively looking for a job, and were ready to take a job within 14 days.

Economically non active = all persons (except the labour force), who were not employed during the reference period and at the same time could not be considered unemployed (pursuant to the ILO definition). For example school children, students, retired people, long-term sick or disabled persons, job seekers registered with labour offices unable to take up jobs within 14 days and persons on maternity leave if they do not comply with the conditions for inclusion as employed or unemployed.
**MEASURE\(^*\) OF ECONOMIC ACTIVITY OF THE CZECH POPULATION IN %**

**Measure of economic activity of the Czech population - LFS (average)**


**EMPLOYED IN THE NATIONAL ECONOMY**

**Employed (yearly average) in thousands - LFS**


**THE CZECH LABOUR FORCE**

**Labour force LFS (average)**

UNEMPLOYMENT RATE DEVELOPMENT (In %)

Unemployment rate in per cent (end of year)

Source: MLSA/ESA, Graph RILSA, Milada Horakova

REGISTERED JOB APPLICANTS AT LABOUR OFFICES COMPARED WITH RECOGNIZED UNEMPLOYED PER LABOUR FORCE SURVEY (In thousands)

Source: LSF/CZSO and MLSA/ESA, Graph RILSA, Milada Horakova

REGISTERED JOB APPLICANTS AND VACANCIES

Source: MLSA/ESA (Ministry for Labour and Social Affairs/Employment Service Administration), Graph RILSA, Milada Horakova
UNEMPLOYMENT RATE AND EMPLOYMENT OF FOREIGNERS (End of year)

Share of foreigners in the labour force of the CR in %
Unemployment rate in the CR in %

EMLOYMENT OF FOREIGNERS IN THE CZECH REPUBLIC (II.Q/IV.Q)

Work permit holders
Slovak citizens registered at CR labour offices
Trade licence holders
Total economic activities of foreigners

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova
Employment of Foreigners in the Czech Republic (End of Year)

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova

Work Permit Development by Selected Country (End of Year)

Source: MLSA/ESA, Graph RILSA, Milada Horakova

Trade Licence Development by Selected Country (End of Year)

Source: MIT, Graph RILSA, Milada Horakova
**MAIN SOURCE COUNTRIES OF LABOUR MIGRATION TO THE CZECH REPUBLIC IN 2003 (End of year)**

- **Slovakia**: 39%
- **Ukraine**: 25%
- **Others**: 18%
- **Vietnam**: 13%
- **Poland**: 5%

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova

Note: Employment of foreigners holding permanent residence in the CR for the purpose of employment or trade includes foreigners holding work permits, Slovak citizens registered at CR labour offices and trade licenses.

**EMPLOYMENT OF EU 15 AND EU ACCESSION 10 CITIZENS IN THE CZECH REPUBLIC IN 2003 (End of year)**

- **Accession EU 10 citizens**: 45%
- **EU 15 citizens**: 4%
- **Other countries’ citizens**: 51%

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova

Note: Employment of foreigners holding permanent residence in the CR for the purpose of employment or trade includes foreigners holding work permits, Slovak citizens registered at CR labour offices and trade licenses.
EMLOYMENT OF ACCESSION EU 10 CITIZENS IN THE CR IN 2003
(End of year)

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova

Note: Employment of foreigners holding permanent residence in the CR for the purpose of employment or trade includes foreigners holding work permits, Slovak citizens registered at CR labour offices and trade licenses.
EMPLOYMENT OF EU 15 CITIZENS IN THE CR IN 2003 (End of year)

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova

Note: Employment of foreigners holding permanent residence in the CR for the purpose of employment or trade includes foreigners holding work permits, Slovak citizens registered at CR labour offices and trade licenses.
EMPLOYMENT OF EU 25 CITIZENS IN THE CR IN 2003 (End of year)

United Kingdom 2%
France 1%
Austria 1%
Italy 1%
Others EU 2%
Slovakia 80%
Poland 10%
Germany 3%
Poland 10%

Source: MLSA/ESA, MIT, Graph RILSA, Milada Horakova

Note: Employment of foreigners holding permanent residence in the CR for purpose of employment or trade includes foreigners holding work permits, Slovak citizens registered at CR labour offices and trade licenses.

TYPE OF WORK PERMIT ACCORDING TO REQUIRED QUALIFICATIONS

Source: MLSA/ESA, MIT, Graph Milada Horakova, RILSA
REASONS FOR FOREIGNER RESIDENCE IN THE CZECH REPUBLIC
COMPARISON OF YEARS 2001, 2002 (end of year)

EMPLOYED IN THE NATIONAL ECONOMY AND WORK PERMIT HOLDERS IN THE CR ACCORDING TO ISCO CLASSIFICATION IN 2003 (End of year)

Source: MLSA/ESA, OK Labour, CZSO, LFS, 4.Q.2003. Graph RILSA, Milada Horakova
Labour migration in the CR by gender in 2003 (end of year)

Slovak citizens registered at CR labour offices by gender in 2003 (end of year)

Work permit holders by gender in 2003 (end of year)

Trade licence holders in 2003 by gender (end of year)
LABOUR MIGRATION BY GENDER IN 2000-2003 (End of year)

FOREIGN EMPLOYEES BY GENDER 1995–2003
(WORK PERMIT HOLDERS AND SLOVAK CITIZENS REGISTERED AT CZECH LABOUR OFFICES)
LABOUR MIGRANTS BY AGE (End of year)

Age of work permit holders in 2003 (end of year)

Source: MLSA/ESA, Graph Milada Horakova, RILSA

Age of trade licence holders in 2002 (end of year)

Source: MIT, Graph Milada Horakova, RILSA
WORK PERMIT HOLDERS BY REQUIREMENTS ON SKILLS AND EDUCATION IN 2003 (end of year)

Legend:
1. no skills required
2. incomplete elementary
3. elementary, practical schools (1-2 years)
4. lower secondary
5. lower secondary technical
6. secondary vocational and vocational
7. grammar schools without certificate (A level vocation 3 years
8. upper secondary (grammar school)
9. upper secondary technical and vocational (certificate A level, vocational)
10. upper grammar (A level)
11. upper secondary specialised
12. baccalaureates
13. universities
14. doctorates

Source: MLSA/ESA, graph Milada Horakova, RILSA