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A Meeting in Kolín – Vietnamese workers in the Czech Republic

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Abstract:

As the financial crisis deepens across the world's stock markets, Czech experts are becoming skeptical: First, glass and textile factories went bankrupt, now it is the car companies' turn. It is still possible to see both Vietnamese and Czech workers on their way to the TPCA factory in Kolín for the next shift. The latter, however, sometimes bully the former as they work on new Toyotas, Peugeots and Citroëns.

Not far away from the factory, a well-built young Czech man, at least one head taller than his Asian co-workers, asked me: "Where are you headed to with this 'Chong'?" The Vietnamese man I am accompanying cannot understand the meaning of the sentence, but he can infer a great deal from the facial expression of the Czech worker. "The Czechs are angry. They wanted to ask for a wage increase, but now they won't get it, because the company hired the Vietnamese, and the Czechs won't be able to exercise pressure. At the same time, though, the Czechs often stay for only three or four months and then leave. Sometimes they even bother me at work. I thought some Czechs were my friends but they even sometimes do me harm." This is what Cuong told me before in a café in Kolín. Not only Cuong, but also Hung and Nam, who sat with me in that café, had all trusted the sweet speeches of agency representatives. They had trusted their claims to have helped many men in similar situations to defeat poverty and get to the rich Czech Republic.

The number of Vietnamese with temporary or permanent residence in the Czech Republic is soaring. In August 2007, official statistics reported 45 964 Vietnamese living in the Czech lands, in August 2008, 57 660 Vietnamese were reported. The vast majority of these people come to the Czech Republic with the help of agencies, be they official or not.

Without a bill

Cuong, Hung and Nam all came from different parts of Vietnam. They first met in a center where Vietnamese workers were trained before setting out on their journey to Foxconn, a factory in Pardubice in the Czech Republic. Each of them have paid over 9 thousand USD to the agency for the journey. “However, only about a half of the overall sum is stated in the contract we signed with a Vietnamese agency called Nosco. The extra money we paid is not in the contract.” This contract, which they brought with them from Vietnam, specifies what their money was used for. The money paid to the Czech agency which takes care of the Vietnamese after their arrival amounts to 1500 USD. When asked where the rest of the money went, the Vietnamese give an identical answer: “They gave us no bills, so we don’t know where the money went exactly. Probably it was used for necessary mediation arrangements.” A Vietnamese woman who works in one of the mediating agencies – and who does not wish to give her name - explains: “The agency in Vietnam usually keeps half of the money and passes the second half on to the Czech agency. Both agencies have, apart from official expenses stated in the contract, such as training, flight ticket, insurance, a course in Czech etc., other huge costs, as they have to bribe many people in Vietnam and in the Czech Republic. It covers people in the Czech embassy, in the Vietnamese embassy in Prague, Vietnamese authorities where necessary documents are obtained, companies in the Czech Republic...Lots of money. No wonder it’s so expensive.”

The ‘Kolín’ Vietnamese, however, do not complain about the money – their Vietnamese co-workers paid about the same money for the same services. “We were satisfied with Nosco. Yes, it is a lot of money, we had to borrow from both friends and banks, we even pledged the house as security, but luckily, we didn’t borrow from moneylenders as some others did. Before leaving for the Czech Republic, we thought we would pay off the debts in about a year. The remaining two years we were supposed to make money. At present, we think we will have everything paid off in about three years.”

It is, though, this need to pay off their debts which puts Cuong, Hung and Nam into a disadvantaged position with regard to their employers.

Mutual help among friends

No matter how respectable the agency which brings the Vietnamese, the newcomers have no information about the Czech economy or the legal system; they are heavily in debt, dependent on the help of others and often also dangerously gullible. Consequently, for ‘Kolín’ workers such as Cuong, Hung and Nam, the most difficult problem they face on their way from one Czech factory to another is their lack of knowledge of the legislation, system and language. For nearly three months they worked as Foxconn direct employees. One day, an interpreter came for them to sign a new contract. “The text was not in Vietnamese so we didn’t know whether it was a contract related to the end of our probation period or to its extension, or a change of our work specification. Allegedly, the company was moving elsewhere. Our

interpreter told us to sign and so we signed.” In fact, they signed an agreement terminating their employment and following that they signed a new work contract. Their new work was in a Foxconn branch in Kutná Hora and included a new probation period. “Nowhere in the world is there a probation period of six months, not even in Vietnam...” complains Nam. A probation period is a very sensitive issue for foreigners with a work visa. If their employer unexpectedly terminates their contract, they also immediately lose the residence permit which is tied to a specific job.

In June 2008, Cuong, Nam and Hung began working in a new factory. In the middle of August, though, they received a letter from the Favigroup Agency, which had taken them on from the Nosco Agency in the Czech Republic. The letter contained information that, due to economic problems, Foxconn was going to dismiss employees from assembly lines four and five. That was where our three men worked. The letter also included an offer to find them a new job free of charge; however, they should apply as soon as possible. “We were terrified. We were scared of not finding other work in Kolín later, so we, because of fear, decided to leave Foxconn and applied to the agency. At first, the interpreter wanted seven thousand CZK for arranging everything, but we protested, and he finally gave in. But we had to pay 1500 CZK for a medical examination,” says Hung. Looking back, these workers regret their decision. They feel they had been used in order to help the Favigroup Agency deliver its planned supply of workers to the Grafton Agency which secures the workforce for the TPCA. The Favigroup Agency failed in providing workers directly from Vietnam, allegedly due to long visa waiting lists in the Czech Embassy in Hanoi. Hung comments on their situation: “Work in the TPCA is very hard. The Czechs do not want to work here, so it was us they employed. Moreover, in the end, there were no dismissals at Foxconn. It was only us who left, because we were in probation and feared being sacked.” According to the Foxconn staff manager Zdeněk Petrovický, production optimization was carried out in Kutná Hora and a respective adjustment of employee numbers was to follow. Foxconn, therefore, really needed to decrease the number of workers. Luboš Rejchrt from the Grafton Agency, which currently employs Cuong, Nam and Hung, speaks about a mutual aid system among the companies. When one of them needs people for its production and the other one needs to get rid of them, the companies help each other. It seems that the TPCA is also hopeful that the Vietnamese will help curtail the job switching which has been plaguing the company. When discontent, the Vietnamese have no way of leaving the company. Rejchrt himself confirms that it is rare for discontent Vietnamese workers to find a job elsewhere and leave. The vast majority of the Vietnamese cannot take care of themselves in this respect.

Nam, Cuong and Hung are currently experiencing yet another stress: “Our work permits are valid only until the end of the year. We don’t know what will come next. If the TPCA does not extend our work permits, our visas will be terminated, too. Yet we don’t know where to find another job quickly, there is currently little demand for workers.”

A worker from our tribe

The Czech automotive industry comprises about one fifth of the Czech GDP and the Czech Republic is even sometimes declared an automotive superpower. The onset of the financial crisis, though, will probably force companies in the automotive industry – not excluding the biggest Czech car factory and also one of the biggest national employers, Škoda Auto - to adopt economic measures. Experts also think that dismissals must be expected. According to Jaroslav Černý from the press department of Škoda Auto, the company does not plan any dismissals. The Vietnamese working there are, however, hardly relieved. Only ten men out of the whole group of the Vietnamese working for the company are, as Černý said, direct employees of Škoda Auto. Meanwhile there are hundreds of them employed by agencies that supply them to the Škoda Auto workforce. As early as the beginning of October, the magazine of Škoda Trade Unions reported on the reduction of the numbers of agency workers. Karel Jahoda from the OS KOVO Škoda Auto Trade Union wrote in the issue: “The agency staff are no longer asked to step in during breaks in the welding shop and in the overall flow of production. There are about 700 fewer agency workers.”

The TPCA, a Kolín car factory, is the second biggest car producer in the Czech Republic. Last year, its production increased by five percent to 308 478 cars a year. As in Škoda Auto, the Vietnamese work indirectly here, through agencies. The TPCA staff manager Vadim Petrov said that such a work status currently applies to 150 workers. Like Škoda Auto, the TPCA directly employs only a few Vietnamese workers. There are also foreigners of other nationalities working in the car factory through agencies, such as the Slovaks and the Polish. When asked about the possible implications of the worldwide economic crisis for jobs, Petrov gives an optimistic answer: “As far as production cuts or dismissals are concerned, we have not been hit by the financial crisis. The demand for small and economic cars is high. In the coming months, we will even raise the number of our workers by several dozen.”

The main market for Czech car production is Europe; Western Europe, however, has seen a massive decline in demand for new cars. By contrast, the economic media reports that Czechs are buying more and more new cars. Maybe they will help the Kolín factory keep its high production levels and current worker numbers despite the crisis. But if that fails, agency workers will be the first - as experience shows - to feel the consequences of the crisis.

Dry out and dispose of

Cuong, Hung and Nam have been lucky so far. They had been ordered by a huge company which, when it ceased to need them, did not fire them but cleverly organized other work for them in a partner company, also a giant producer. The agencies our workers encountered are probably the rather more respectable large agencies operating on an official basis. The same cannot be said about all agencies dealing with Vietnamese workers. All the twists and turns of their story have thus far taken place on a completely legal level. Despite all that, the Vietnamese men feel trapped and perceive their fate in the Czech Republic as out of their

control. Someone lured them here and made money off of them, but they are the ones to bear all the risk. Furthermore, some feel that they are truly unwelcome in the Czech Republic. “I’d like to tell the media that the Czechs should be more fair to the Vietnamese workers. We committed no crime. We only came to earn some money and when we have done so we will leave for Vietnam. We don’t intend to stay here for good.”

Through me, Nam is trying to speak to his Czech co-workers in the factory . The three workers, Cuong, Nam and Hung have to hope that the automotive industry crisis does not come too soon. If it does, they face joblessness, and the resulting loss of their residence permits, which might make them illegal. Not only do irregular migrants fear that they will not be able to pay off their debts, they also fear the foreign police and ill health since they have no valid insurance. The least lucky of the irregular migrants will fall into the traps set by cunning ‘rescuers’ who misuse their situation for various illegal activities.

Too many, or not enough?

In spring 2008, during a visit to Vietnam, the Czech PM Mirek Topolánek voiced his concern that in 2010 the Czech economy will be missing 450 thousand people. These concerns are shared also by Mr. Winter from WMC, a marketing company that, among other activities, operates also as an agency mediating work. Mr. Winter is also the chairman of the Czech-Vietnamese Society. On his web page, he stated in May 2008 that about 151 thousand workers were missing from the Czech labour market. “That is why the Prague WMC marketing company, which has already for 14 years specialized in trade with Vietnam, prepared and launched the ‘Mutual Aid’ project. In 2008, this project enables the delivery of 5000 Vietnamese to Czech producers and, from 2009 on, the delivery of up to 45 000 of the Vietnamese.” WMC will import workers from Vietnam in cooperation with the Czech Chamber of Commerce. This shows that many people consider the import of labour from Vietnam to the Czech labour market a good idea. But are the politicians, the mediating agencies and the companies themselves ready to become responsible for thousands of Vietnamese when they become jobless or when they fail to even find a job? Has anyone considered who will be responsible for the relationships between Czech workers and the foreign workforce, a workforce that will often be willing to accept significantly worse working conditions because of the pressures they face? The Czech government in particular needs to consider how to avoid a situation in which thousands of extremely indebted foreigners end up in the Czech lands, unable to pay off their debts.

Of course, it is possible that the crisis will not be too harsh in the Czech Republic. Demand will not fall, factories will not dismiss workers and ever more workforce from Asia will be sought to produce cheap cars, computers and TVs. Even then, however, it is necessary to think of ways to enable the people we need to work here to have a life free from permanent fear of dismissal and of a loss of legal status. Not only the state but also the companies should be forced by society to bear their responsibility for the workers who very often rescue the production in factories where no one else is willing to work. Vietnamese workers come to the

Czech Republic with an enormous debt, partly due to the self-indulgence of Czech companies who are unwilling to pay for the recruitment of their own workers in Vietnam. Huge companies leave the recruitment to mediating agencies and all the costs are borne by their future workers. Nam, Cuong and Hung would today be in a totally different position, had Foxconn brought them from Vietnam directly, not through an agency. In case of scarcity of adequate work, or in case of health or other problems, they could easily pack and return home, which is something that they could hardly do now if they encountered further problems.

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Czech Made?

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