



Guest workers in a black hole

Martina Křížková

The impact of the financial crisis in the Czech Republic has been felt most by the guest workers who came here to find work. They stand no chance of dealing with the never-ending merry-go-round of debts that they have accumulated without some real help from the local authorities. The Czech state has proposed to introduce special benefits to help them get home¹. Does this represent an effective solution?

In narrow rooms occupied by four to five people, the beds are covered with colourful bedspreads. On the wall, there is a guitar and some mould. The inhabitants also have a cold corridor and a decaying kitchen at their disposal. They offer salty tea to visitors. There are fifteen young Mongols living in dormitories that belong to a former agricultural co-operative in Tlučná, a small village not further than ten kilometres from Pilsen. All of them have come to the Czech Republic in the last year, some just three months ago. They were supposed to be working in local factories. Instead, they are sitting in Tlučná and waiting for a miracle. The crisis has come and there is no work.

Eight of them did work temporarily in Valeo in Humpolec, where they fitted air-conditioning in cars. A Mongolian agent last paid them two thousand Czech crowns for two months of work; on two occasions they did not get their wages at all. Then the agency, which had organised their employment in the factory in Humpolec, went bankrupt. The factory scaled back production and no-one needed them any more.

The rest of the people living in the dormitory came at the end of last autumn. There was never any work for them. Another agent took them directly from the airport to Tlučná. His name was Bataa Bassankhum: they were given his business card and told to call him everyday to enquire about any possible work. They owe him the rent for the last month because he was the one to negotiate conditions with the landlord. When he last visited his clients, he told them that they had to repay their debts by Monday or leave. Monday is three days away. Moreover, they have already run out of the money their families sent them from Mongolia; and they have nothing else to pay with. Nevertheless, they do not want to go back home, even if someone offered to buy them tickets. Their families would never be able to repay the enormous amount of money that they had loaned to cover

¹ This article was published in A2 magazine on 4 February 2009, i.e. before the Programme of Voluntary Returns began. The programme was launched on 16 February 2009 and enables the first 2000 applicants recruited from migrants from third countries to return to their homeland at the expense of the state, together with a subsidy of 500 Euros. More information is to be found at <http://www.mvcr.cz/clanek/projekt-dobrovolnych-navratu.aspx>

the cost of organising work in the Czech Republic. These men are in their early twenties; they fear to tell their parents the truth. They cannot speak Czech and most of them are away from Mongolia for the first time.

“We learned about them by chance,” explains Ariunjargal Dashnyam, an interpreter from the Czech-Mongolian Society, which tries to help these forlorn workers from Mongolia. They assist them by handling official documents and distributing aid. When information about the real situation of foreign workers was first published, Czech citizens also started to offer spontaneous help. In the case of the dormitory in Tlučná, it was twenty kilos of potatoes. “There are just two of us working on this in Pilsen. We do not even know how many people are in need and where they are,” comments Dashnyam on their limited possibilities.

Fees and bribes

Thirty minutes drive away, in the centre of Pilsen, several Vietnamese are sitting in a gambling club, which they live above. Their life stories are similar to those from Tlučná: only the details and the amount of debt differ. They have been in the Czech Republic longer. Most of them used to have some income for at least a year. They usually worked for Panasonic which has a factory in Borská pole, an industrial area on the outskirts of the town. The manufacturing companies here are mostly owned by foreign companies who were attracted by the incentives of the Czech state and are major employers in the country.

Hien, Lam and Tran have been unemployed for two months. They survive on loans from friends, but these are limited. Their debts back home have been partially repaid. In Mongolia, the fee for visas, stay, work and transport arrangements amounts to three thousand US dollars; in Vietnam, the same services cost ten to fifteen thousand. Both sums are beyond the reach of the natives there. To get a loan of this size, the applicants usually have to mortgage their entire property as well as that of all their relatives.

The standard requirements for work visas are so strict that mediating agencies, which import the workers from abroad, usually pay large bribes. According to the Vietnamese that were interviewed, as much as 4000 US dollars from the sum they paid to the agencies were used to cover “duties”. Bribes are not needed just for the embassies. There is harsh competition among recruitment agencies. More than 2000 licences for this profitable “business” have been acquired from the Ministry of Labour and Social Affairs. Others are semi-official or unofficial. “This represents a great temptation for some employees working in HR departments. The more people came, the more money they could make. Not only did they charge fees for providing an agency with a contact, they also charged fees for each person on an individual basis,” says Tran Kim, who lives in Pilsen and tries to monitor the circumstances of his fellow countrymen from Vietnam. These practices often lead to dismissals during the probation periods. “The companies saved on costs per employee and HR specialists got paid for new people,” adds Kim.

The workers that are brought over through agencies are usually only hired for work: they do not get an employment contract. In the case of a larger commission, the company hires more workers who can later be dismissed easily. The mediators thus need a certain abundance of workers in order to

meet demand. Getting visas takes some time and the companies do not want to wait. In addition, the necessity to pay for accommodation and work permits (a dismissal automatically means a loss of the legal residency) increases costs for the agencies. “This problem was created at the very beginning. Not only the companies, but also the agencies tried to maximize their profits. Thus the companies could easily apply pressure and the mediators were willing to sign practically any contract,” adds Nam Nguyen of the Vietnamese Association in the Czech Republic. All the fees and bribes are then charged to those who seek work here. They cannot afford it and get into debts. “We know of no instance when an agency was inspected by the Ministry of Labour,” comments Le Minh Cau, a member of the Association who also works as a mediator.

Neither the business, nor the troubles stop

Foreign migrant workers are frequently moved around to different factories. Nevertheless Hien, Lam and Tran would be glad if even this uncertainty now came back. However, there is no work now. Hien, the oldest of all, wants to go back home but has no money to buy an air ticket. Lam and Tran, like most Asian workers, cannot imagine returning without attempting to repay their debts. Le Minh Cau estimates that there are at least six hundred unemployed Vietnamese in Pilsen at the moment, six hundred in Mladá Boleslav and two or three hundred in Pardubice. Ten thousand more Vietnamese are expected to lose their jobs in the Czech Republic in the next few months. Yet, the Vietnamese Association admits that they do not know where all these dismissed people are, what they do for a living and how they secure their basic needs. At the same time, yet more workers are coming from abroad. The business of delivering foreign workers will not stop just because of the crisis, even though the job-seekers are welcomed by a black hole of uncertainty and debts instead of work. The crisis has led to job losses in Asia, too. So the pressure to leave these countries has increased accordingly.

“I know for sure that another big group arrived just before Christmas. Tens of people. They are sure to be out of work but where they have gone and what they are doing I cannot tell,” points out Cau. Even the Czech authorities do not know the exact number of dismissed workers, The Ministry of Interior and the Ministry of Labour have produced the “Report of the dismissals of foreign workers caused by the economic crisis and their correlation to safety risks for the Czech Republic”. The officials estimate that in the following months, at least 12 thousand foreign people - namely Ukrainians, Vietnamese, Mongolians and Moldavians - will lose their jobs.

It looks like the Czechs may get inspired by the policy measures introduced in other countries. The Spanish government will buy tickets home for workers, as well as continuing to pay out social benefits for a short period. In Britain they prefer quotas and immigration restrictions. In the current version of the report, some of the priorities are to limit the number of visas issued, to limit the number of work mediation agencies and to enforce or encourage return. In the case of voluntary returns, the state will contribute 500 Euros² to two thousand foreigners, which should be enough to cover the travelling expenses. Otherwise, the material states, it would cost the Czech state an average of CZK 40 000 to fund deportations. But, there are many more foreigners in need than the 2000 that this scheme addresses. One can expect that the Czech state will not solve all these

² The approved version offers that the Czech state gives migrants not only 500 euros, but also covers the total travel costs.

problems, which are not just financial. “The fact that someone is allowed to come here and work here is not the problem. What is problematic is their status here,” says Pavel Čížinský, of the Counselling Centre for Citizenship, Civil and Human Rights. “Instead of restrictions, we should improve the working conditions of foreign workers in the Czech Republic. If they were not threatened by illegality and massive debts, they might willingly leave this country or save for periods of unemployment.”



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