

**UPDATE 1G: THE 2008/2009 FINANCIAL CRISIS:
A FALSE START FOR CZECH FOREIGN WORKER ADMISSIONS?**

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ABSTRACT

This paper examines the third voluntary return program in the history of European post-Cold War foreign worker admissions, and the first such initiative in Eastern Europe. It argues that even though the economic crisis became a window of opportunity to reduce foreign worker admissions, it was the susceptibility of these admissions to irregular migration that prompted (the Czech) policymakers to reform migration policy. Legal and humanitarian constraints will circumscribe repatriation policy in the post-2008/09 crisis era, as they did in the post-1973/74 crisis period. Considering the paucity of co-development best practices, the settlement of temporary foreign workers may paradoxically prove a better *de facto* co-development outcome than the malfunctioning rotation system.

On January 1st, 2009, the Czech Republic assumed the presidency of the European Union. However, fears about unemployment immediately challenged its presidential motto ‘Europe without barriers’. Since accession to the EU in 2004, demand for foreign workers in the booming Czech automobile industry has grown rapidly. However, as migration from East Asia began to catch up with that from Eastern Europe, the Czech open-door policy has turned more akin to a revolving door policy. Highly-skilled workers from developed and culturally-similar countries receive a welcome through the “Green Card” program while low-skilled laborers from developing and culturally-distant countries are encouraged to return home. The 2008/09 financial crisis, like the 1973/4 oil shocks, became a window of opportunity to redefine migration policy. But the first steps towards more selective foreign worker admissions had already been plotted before the crisis - when illegal flows started to parallel legal admissions and the European Commission gave a green light for cooperation with the EU’s South-Eastern neighborhood.

The study consists of five parts. It does not aim to paint a detailed picture of the Czech migration system but to sketch out the background necessary to understand the causes and likely effects of Czech voluntary return policy.

The first part will summarize the rules of the Czech voluntary return program. The Czech program is the third such initiative in the history of the post Cold-War generation of foreign worker admissions and the very first in Eastern Europe. Whether successful or not, it will provide valuable lessons for the new EU countries of immigration.

The second part provides an overview of trends in foreign worker admissions following the Czech Republic's accession to the European Union. It will explain how a combination of labor demand and loopholes in the nascent Czech labor migration policy unexpectedly linked the Czech Republic to Vietnam.

The third part will explain how the Vietnamese workers turned from the Czech Republic's guests to settlers by the time the economic crisis hit the country. However, it will point out that while an economic crisis became a propitious moment to justify voluntary return policy, it had been illegal flows from Vietnam before the crisis which inspired the governmental attempt to redefine migration policy. As the reference to Poland will suggest, the redefinition of Czech migration policy could have been also dictated by a number of other factors antecedent to the economic crisis: Eastern European dependence on the natural gas supply from the former USSR and European Commission's green light to foster circular migration from this region, rather than East Asia.

The fourth part will explain the early attempts to redefine the Czech foreign worker admissions from a rotational to a settlement-oriented policy. While operating in conjunction with the traditional work permit scheme, the Green Card model aims to limit foreign worker admissions to the Czech Republic in the post 2008/09 economic crisis in a somewhat similar way to Western European stabilization policies in the aftermath of the 1973/74 oil shock crisis.

The fifth part will continue the analogy between the post-1973/74 and the post 2008/09 migration histories by demonstrating the legal and humanitarian difficulties of repatriation policies. Today, like forty years ago, democratic principles are likely to grant settled foreign workers the right to stay.

Will this settlement exacerbate the receiving countries' ability to cope with the crisis? Most likely not- the concluding section will claim. Considering the paucity of co-development best practices, the settlement of temporary workers may paradoxically prove a better *de facto* co-development outcome than a malfunctioning rotation system.

The third voluntary return program in the history of European post-Cold War foreign worker admissions

According to the Czech Labor Ministry, in January 2009, unemployment in the Czech Republic grew to 6.8 per cent, up from 6.0 per cent in December 2008 and 6.1 per cent in January 2008 (MPSV, 2009a). Arguing that the first to fall victim to the unemployment would be foreign workers, on 16 February 2009 the Czech government launched a voluntary return program. The Czech program was the third such initiative since the beginning of the so-called post Cold War generation of temporary foreign worker admissions.¹ The first such initiative had been authorized by France in 2005, again in 2006 and discussed in 2007. The second voluntary return program was authorized in Spain on November, 11, 2008. But while both France and Spain authorized them as mature immigration countries, the Czech Republic is still undergoing the emigration-immigration transformation. Whether successful or not, the Czech program will provide very important lessons for the countries such as Poland, where fears about haphazard policy transplantation slowed down labor migration policy liberalization.

Applications for the Czech voluntary return program started on 16 February 2009 and will last until the 2000 return bonuses allotted to participating migrants are distributed. Next, the Czech government will decide whether to continue the policy or not. The applicants must be legal, non-EU residents, holding a valid residence permit (or an exit order issued after a residence permit expired) and not subject to deportation. The applications must be filed at Aliens Police offices. As of the program commencement, many migrants have been apprehensive about it, because the only foreign language information prepared by the officials has been a page-long leaflet (<http://www.mvcr.cz/docDetail.aspx?docid=21176631&doctype=ART>). In order to find out more, migrants need to report personally to the Aliens Police offices along with a translator, because the Czech administration will not answer questions in any language other than Czech. Focused on the first 2000 legal and preferably Czech-speaking migrants, the program may end up facilitating the return of those who were going to leave the Czech Republic anyway, rather than the most vulnerable ones. This was a key lesson of the French and German voluntary return programs in the 1970s and 1980s. In the case of German-Turkish repatriation program of the 1983-84, typical migrants who returned were solo men who had been abroad ten or more years without their families or migrants who had their families abroad and faced schooling dilemmas in Germany (Martin, 1990:36). The French departure grant of 10 000 francs (\$200) plus airfare for a family of four led to the departure of 13 214 persons in the last half of 1977. Over half of

¹ Between 1945 and 1973 a number of Western European countries, notably France, Western Germany and Switzerland admitted guestworkers to support the post-war economic boom. With the onset of the 1973/74 oil crisis these admissions were curbed. However, since 1990 some Western, Southern and most recently Central European states – among them the Czech Republic – started admitting temporary foreign workers anew. For a more extensive analysis of the post-Cold War generation of temporary foreign worker admissions see Plewa, P. and Miller, M. J (2005).

those departing with work permits were unemployed, suggesting that the departure grant was not sufficient to induce unplanned emigration by employed guestworkers (Martin, 1980: 18).

The successful applicants would be entitled to free transportation to their countries of origin and a €500 repatriation bonus per adult and €250 for child. In exchange, they will need to surrender their Czech documents. The returnees would not be prevented from coming back to the Czech Republic in future. But they will lose the documents necessary to petition for permanent residency in the future. Thus migrants who have been in the Czech Republic close to five years, the OECD recommended length for status adjustment, may find the program less attractive than those who came recently.

Having facilitated the Spanish voluntary return program (and over 3.5 million voluntary returns since the first operation in Germany in 1979) the International Organization for Migration (IOM) has committed itself to lend logistical support to the Czech initiative. However, as in Spain, the IOM will continue to conduct its own Assisted Voluntary Returns (AVR) program in parallel to the government scheme. Since 1998 (when the IOM established an office in Prague), the IOM has been assisting approximately 300 to 400 migrants returning from the Czech Republic a year (IOM, 2009a). While the IOM Madrid office has provided assistance to any foreigners unable to sustain themselves in Spain, the IOM Prague office has mainly served unsuccessful asylum applicants.

The IOM Prague office has been cooperating with the Ministry of Interior, but unlike the Czech government, the IOM has helped all migrants regardless of their status; provided extensive multilingual assistance; aimed to keep migrants' repatriation discrete (so as to prevent them from any negative feedback in the country of origin); has not set numerical caps; and provided post-return reintegration assistance (IOM, 2009b). It could be expected that in the Czech Republic, as in Spain, if migrants decide to return, they would have more incentives to opt for the administratively easier IOM rather than the government-sponsored program.

Czech foreign workers: the growing importance of Asians

Migration to the Czech Republic has been growing briskly since the end of the Cold War, moving from the net immigration rate of 0.28 (per 1000 population) in 1991 to 0.97 in 2008. By contrast, Poland's net immigration rate in the same period has changed from -0.64 to -0.46 (US Census Bureau, 2009). In January 2009, 272 355 foreigners were employed in the Czech Republic, a high proportion considering the 10.2 million population. Among them, 133 324 were exempt from work permit due to EU/EEA or Swiss citizenship, 14 181 were exempt from

work permit under other regulations, and 124 850 held work permits (table 1) (MPSV, 2009b). It is the foreign work permit holders whom the Czech government expects to be the most affected by the economic downturn and thereby to seek better employment opportunities at home.

According to January 2005 - January 2009 Ministry of Labor data, citizens of Ukraine have been the most numerous non-EU foreign workers. The proportion of Ukrainians was particularly large between 2005 and 2006. During this period, Ukrainians outnumbered any second most numerous foreign worker group by a factor of 15.

However, the disproportionate representation of Ukrainians among the non-EU work permit holders began to decrease in 2007, as citizens of Vietnam moved from being the tenth largest (January, 2007) to being the third largest (January, 2008) non-EU foreign worker community in the Czech Republic. Every month between January 2007 and January 2008, the Vietnamese moved one position up in the non-EU foreign worker permit register and by March 2008 they became the second most numerous foreign workers after Ukrainians.

Since March 2008 the four most numerous non-EU work permit holders in the Czech Republic have been Ukrainians, Vietnamese, Mongolians and Moldavians. Together the four nationalities represented 86 per cent of all non-EU foreign workers in the Czech Republic (Ukrainians 60%, Vietnamese 12%, Mongolians 10%, Moldavians 6%).

Table 1
Work permits granted to non-EU citizens, November 2008 - January, 2009

Country	November 2008	December 2008	January 2009
Ukraine	74112	73937	72743
Vietnam	16397	14969	12926
Mongolia	12796	12525	11434
Moldova	7682	8178	8367
Uzbekistan	3283	3570	3798
Russia	1997	2057	2035
China	1454	1414	1441

Macedonia	1407	1326	1360
Bosnia and Herzegovina	1304	1316	1235
US	1291	1316	1323
Belarus	913	928	928
Japan	762	775	749
India	770	747	710
Serbia	670	660	663
South Korea	714	617	496
Thailand	496	503	493
Armenia	418	445	453
Indonesia	385	368	314
Philippines	350	354	334
Kazakhstan	296	337	359
Other	2517	2592	2689
Total	130 014	128 934	124 850

Source: Author, based on the data from the Czech Labor Ministry, MPSV: 2009b

Migration policy transformations in Eastern Europe: Implications for Vietnam

The Ministry of Interior estimated that some of the foreign workers whose permits expire in 2009 will suffer poverty. It was in this context that (following the first unsuccessful attempt in April, 2008), in November 2008, the Czech Embassy in Hanoi froze visas for Vietnamese citizens. Following an appeal by the Vietnamese Foreign Ministry, the Embassy cautiously resumed visa processing in 2009. According to the Ministries of Interior and Foreign Affairs, the Vietnamese had been involved in tax evasion, trade in counterfeit goods, and irregularities accompanying visa application, notably, forged documents and bribes to obtain scarce visas. According to Marcel Winter, the chairman of Vietnamese-Czech Society, Vietnamese middlemen could have been charging workers up to ten times the official cost of a visa and applications were made for business visas even though many of the Vietnamese who obtain business visas turn to manual work (AFP, 2008). The visa restrictions met with protests by Vietnamese work agencies facilitating Czech visa application procedures, as many had charged their clients for services, which they were not going to be able to deliver until the visa freeze was lifted (Prague Monitor, 2008). According to the Czech Ministry of Foreign Affairs, since 2007 more Vietnamese applied for visas to the Czech Republic than did citizens of any other EU member state (CTK, 2008a).

Even though no similar visa sanctions have been introduced for Czech's third largest foreign worker community – Mongolians - the Czech government launched in November 2008 an irregular migration prevention campaign in Mongolian media. The campaign followed a number of reports on illicit trading in Czech visas and on human smuggling from Mongolia to or through the Czech Republic (CTK, 2008.11.19b). In the Czech Republic, as in Poland, the Ministry of Interior has become more involved in migration policy since accession to Schengen in December, 2007. The involvement of the Interior Ministries in both countries intensified security and EU labor market considerations within the foreign worker admission debates. A non-EU foreign worker on a national (e.g. Czech) visa cannot work in another Schengen country without obtaining another country's (e.g. Poland's) visa first. The Czech and Polish Ministries of Interior have been concerned about readmission costs, e.g. if a Vietnamese worker admitted to the Czech Republic or Poland moved to another EU state.

There are a number of reasons why Vietnamese foreign workers may be less interested in the voluntary return program than the Czech government expects. First, the crisis has also affected Vietnam making investment or work opportunities unfavorable. Second, many Czech Vietnamese are self-employed (trading with textiles) or work for Vietnamese employers (restaurants, beauty parlors, "corner shops"). These self-contained ethnic labor market niches may prove more resilient to financial crisis than the global market-sensitive automotive industry

or construction. Consequently, Slovaks or Ukrainians may be more vulnerable to unemployment than Vietnamese. As of February 2009, Vietnamese have been more concerned about Czech police clampdowns on their textile shops than about the global financial crisis. Based on the Vietnamese experience in Poland, one may draw an alternative hypothesis that it may be the resilience rather than the vulnerability of Vietnamese businesses in the Czech Republic that is undermining the Czech voluntary return program. As long as Polish restaurants in the 1990s were doing well, the Vietnamese ones were welcome. But when the conjuncture of both forced some Polish restaurants to close, the police intensified inspections in Vietnamese restaurants, allegedly to verify that they were not serving canine meat and that they were meeting health standards. Third, even if laid off, the Vietnamese in Europe may find it easier to secure a job in Europe rather than back at home, because there will always be some jobs that the Czechs would not want or be able to take. Domestic services, healthcare and agriculture have not been affected by financial crisis nor attracted Czech workers. Fourth, those who have incurred debts to improve their chances of obtaining a Czech visa or work contract may be afraid of returning home before they can pay them off and demonstrate to family and friends that their migration journey was worth it.

Many of Western Europe's postwar guestworkers were reluctant to return to their southern Mediterranean homelands unless they had saved enough to find work in better jobs than they had prior to departure or enough to live off investments (Martin, 1990). There is no reason to think that Europe's Post-Cold War guestworkers would be any different, because of the higher costs associated with finding a job abroad. Most of Europe's post-War guestworkers came from relatively close regions and without the help of a smuggler. The appearance of middlemen in the post-Cold War era has helped link migrants and employers in very distant areas, with the costs of service ultimately being deducted from migrants' paychecks. According to Barbara Tosnerova from Prague's Multicultural Centre: "Debts and difficulties waiting for them [Vietnamese] at home are often bigger than one can imagine. For many of them, it is thus more advantageous to stay here" (Prague Monitor, 2009a). Fifth, the exclusion of Vietnamese from the Green Card program and the apparent growth in selectiveness of the admission procedures will make it risky to return home. Sixth, the Vietnamese diaspora in Europe has been growing. Apart from Western Europe, new Vietnamese communities have sprung up in Eastern Europe, e.g. in Poland. Even though moving to another state involves risk and costs, some may consider an undocumented job in Poland better than a return bonus and no job in Vietnam.

Given the growing reliance on migrants' remittances, since the Fall of 2008 Vietnam reinforced attempts to expand the admission of its labor force to the new EU member states, among them Poland. But, Polish Ministry of Interior concerns about illegal migration and the

integration of diverse populations in Polish society placed expansion of the Polish-Vietnamese labor agreement on the back burner, even before the economic crisis. While the admission of Vietnamese foreign workers to Poland cannot be ruled out in the long term, in the short term, Poland and other Eastern EU member states are more likely to draw labor from the former USSR. Citing the EU Commission initiative to focus circular migration and mobility partnership on the EU's southern and eastern neighborhood, on January 1st, 2009 the Polish government increased temporary foreign worker admissions from Moldova instead of Vietnam. As of 2009, Vietnam cannot count on inclusion in the next phase of Poland's labor migration policy liberalization, because of governmental preference for Georgia.

The extension of Poland's foreign worker admissions to Moldova has, among others, been a compromise between EU and national imperatives. While in the light of EUROCUPE 2012, Polish construction employers would like to be able to recruit in Vietnam and China as easily as they can in Moldova or Georgia, the Polish Ministry of Labor has favored former USSR republics because they conform to EU and Polish foreign policy objectives. The EU has favored recruitment in its Southern and South-Eastern neighborhood to improve migration control and political stability in the region. But in recent years, energy security has become an equally important objective. For a number of years, the Russian-owned Gaz Prom would cut down on gas supply to Eastern Europe. The European Union as a whole gets about 25 per cent of its gas supplies from this company (Taipei Times, 2006). Since 2006, the Polish press speculated about the possibility that Poland would offer Georgia and Azerbaijan, both rich in natural gas, access to the Polish labor market in exchange for extending their pipeline to Poland. But the idea fell into desuetude as labor demand was met with workers from Ukraine, Belorussia and Russia. Instability in the Caucasus and a lack of European coordination also did not favor the project. With communications 247 (European Commission, 2007) and 823 (European Commission, 2008) encouraging migration cooperation with Europe's Eastern and South-Eastern neighborhood, Vietnam's ability to secure guestworker visas eroded overnight. In response to employer pressures, on January 1, 2009, Poland liberalized contracting abroad but only to Moldovans, and not Vietnamese or Chinese as had been expected. Polish employers had lobbied the government to facilitate contracting in East Asia since April 2007, when Poland and Ukraine were selected to host the EUROCUPE 2012. The government was convinced that it was not necessary to expand admissions any further given that Ukrainians, Russians and Byelorussians were exempt from the need to obtain Polish work permits and other alternatives existed. On the same day, Czech Republic authorized a "Green Card" program. The program included Ukrainians and Moldovans, but not Vietnamese and Mongolians. The reorientation of Czech migration policy announced in the context of the financial crisis had antecedents in the pre-crisis period.

Forging a two-track migration policy: the declining ordinary work permit system and the emerging Green Card admissions

Launched on January, 1, 2009, under the amended Labor Law (Act No. 382/2008 Coll.), the Czech Green Card program aimed to limit admissions of foreign workers to pre-approved nationalities and jobs, as well as under the condition that no work permit – exempt worker could be found. Under the current Green Card model, the eligible applicants should be the citizens of: Australia, Bosnia and Herzegovina, Canada, Croatia, Japan, Macedonia, Montenegro, New Zealand, Serbia, South Korea, Ukraine, and United States. There were a number of factors which contributed to the selection of these particular nationalities over others, but among the countries included were some of the EU south-eastern neighbors included in the EC communication 247 and the countries which invested in the Czech Republic. The “Green Card” designers aimed to accommodate all of the citizens of the former Yugoslavia, in line with the Czech EU Presidency goal to speed up the former Yugoslavian republics’ accession to the EU. It was in the interest of the designers of the “Green Card” scheme to protect job-generating foreign investment, notably in the automotive industry. The extension of the program to New Zealand stemmed from the Czech-New Zealand bilateral accord on working holidaymakers. The Labor Ministry did not formally explain why such important labor exporters as Vietnam were excluded, but noted that “The criteria under which the Interior Ministry in cooperation with the Labor and Social Affairs Ministry have selected states for listing are security, political and health criteria” (CTK, 2008 h).

Applications for the “Green Cards” should be made at Czech diplomatic missions abroad. Thus, any eligible applicant already in the Czech Republic must first go home. The three types of permits granted through the Green Card Program are: (1) Type A: for university degree holding applicants, for up to 3 years, renewable; (2) Type B: for apprentices and workers with secondary school education, 2 years renewable; (3) Type C: and for other categories of foreign workers, 2 years, non-renewable (MPSV, 2009c). Foreign citizens wishing to work in the Czech Republic, but not qualifying for the “Green Card” program may apply through the regular work permit program. The “Green Card” will not prevent the excluded categories of workers, e.g. Vietnamese, from working in the Czech Republic, just as the 1973-74 recruitment curbs did not hermetically stop migration flows following the oil crisis. But, as the Ministry of Labor officials acknowledged, from 2009 onwards the entry of “Green Card” excluded, low-skilled, non-EU workers would be difficult.

Legal and humanitarian constraints

Court rulings gave many foreign workers in Germany and France the right to settlement and family reunification in the aftermath of the 1973-74 oil crisis. In a similar fashion, the Czech Constitutional Court permitted migrants given deportation orders the right to appeal them (CTK, 2008).

On February 1 2009, the Minister of Human Rights and Minorities – Michael Kocab - asked the Minister of Interior to reassess Czech deportation policy. Kocab's intervention was motivated by the case of Le Kim Thanh, a Vietnamese worker who lost his legal status when changing employers. Minister Kocab wanted the Ministry of Interior to verify that Le Kim Thanh had not fallen victim to under-regulated work agencies. Over the past couple of years, such agencies had been bringing increasing numbers of Asians, particularly Vietnamese, to the Czech Republic, charging a fee and failing to ensure that the conditions promised would actually be delivered. The Minister also expressed concerns about the security of the Vietnamese citizen following his repatriation: "Vietnam pursues hard the unsuccessful '*Gastarbeiters*' who have been expelled. The persecution would also afflict his family" (Prague Monitor, 2009b). Migrants who had incurred debts to go abroad are in a particularly vulnerable position should they be unable to repay them immediately upon return, particularly in the countries with nascent rule of law. The Czech NGOs, Catholic Church and many government officials seem to agree that the Czech foreign worker admission system is imperfect.

As demand for labor in the Czech Republic increased, a number of labor-matching agencies sprung up all over the country. While those which commit serious labor infringements are few, most do not follow up with the foreign worker once (s)he is put on the job. Furthermore, they cannot ensure worker rotation. According to Czech pro-migrant NGOs, most of those whom the government expects to repatriate have entered the country legally, but have lost their status as they changed employers or overstayed their visas because of unfulfilled savings goals or fear that they would not be able to obtain Czech visa again.

The NGOs and the Czech Catholic Church have called for greater scrutiny of labor-matching agencies. In December, 2008, the chairman of the Czech–Vietnamese society, Marcel Winter, pointed out that the Czech Embassy in Hanoi could be paying insufficient attention to whether the applicants have the necessary skills (language, savings, and credible work offers) to sustain themselves in the Czech Republic. On 10 January 2008, the Czech-Vietnamese Association issued a letter to the Czech Minister of Interior and the Vietnamese Embassy in Prague urging both to take steps to ameliorate the visa process, monitor employment agencies and protect Vietnamese workers against labor abuses by Czech companies (CTK, 2009a). Bishop Vaclav Maly (Czech Catholic Church) supported the NGO's call and asked that the

government improve monitoring of working and living conditions of foreign employees in the Czech Republic (CTK, 2008e).

Article 139 of the Czech Employment Act stipulates fines for irregular contracting and work. A Czech employer found guilty of irregular employment could face a penalty of up to CZK 2 000 000 (\$90 000) and the worker of up to CZK 10 000 (\$450) (MPSV, 2004). However, the Czech government has limited ability to control the entire labor matching process since recruitment in Vietnam has not been based on bilateral labor agreement. Concerns about recruitment getting out of control led the Spanish government to discourage foreign worker admissions to the countries with which Spain has signed bilateral labor agreements. In 1997, the ILO recommended that receiving and sending countries sign bilateral agreements to foster cooperation between private recruiters and public employment services.

The proposed voluntary return program is thought to be an interim step in reforming the Czech labor migration system. The Czech government plans to improve control over work agencies, as well as to admit fewer but more protected workers. However, Jeronym Tejic from the Czech Social Democratic Party (CSSD) argued that the Czech Republic could enforce rotation of foreign workers if it charged them a deposit equal to the costs of a two week stay and deportation, so as to give workers a financial incentive to return home (Prague Monitor, 2009a). The Mexico-US experience with parts of the wages being withheld until migrants' return did not function as expected and was terminated. Furthermore, the apparent narrowing of the admissions through the regular work permit scheme in favor of the Green Card program has been controversial and provides no alternative to the most impoverished countries with which the Czech Republic has already forged migration networks.

Co-development: In whose interests?

Co-development and the need to foster good bilateral relations have figured prominently in recent calls for the foreign worker admissions. In the case of Eastern European labor importers, it has been set in the historical context of post-WWII cooperation within the Warsaw Pact and constituted one of the many reasons why Eastern European countries have generally welcomed migrants from the East, be it from the former USSR or Vietnam. However, when more strategic interests appeared at stake, such as the need to secure energy supply or offset economic crises, co-development was put on the back-burner. Co-development could be used to combat illegal migration, but illegal migration could undermine co-development too. In the case of Vietnam and the Czech Republic, irregular migration eroded Czech-Vietnamese foreign worker admissions. Furthermore, the EU green-light to strengthen cooperation with Europe's

South-eastern neighborhood - which could not only provide labor but also help the EU to externalize border control and secure more reliable energy sources - weakened co-development initiative in Vietnam.

By 2008, the Vietnamese community had integrated well within the Czech society. Most importantly, many Vietnamese had learned Czech thereby acquiring the necessary skill to pass the new Czech permanent residency test. By contrast, many of the nationalities included in the Green Card program continue to speak only native languages or English. Furthermore, many Czech Vietnamese are self-employed or employed in the jobs that Czechs have been reluctant to do in the context of Czech government inability to make these jobs more attractive to native populations. Last, but not least, the Vietnamese-dominated commerce and services are less prone to the financial crisis (and therefore unemployment) than Green Card holder-dominated industry and banking.

Any policy can produce a negative impact if it involves a sudden reorientation, particularly after migrants and their families have developed dependence on jobs available in the destination country. The countries of origin have been coping with the consequences of the economic crisis, and return migration could debilitate their development when remittance flow decreases and unemployment pressures go up. Remittances to developing countries are expected to have reached \$ 238 billion in 2008 (IOM, 2009c). According to the IOM, calls to reduce migration in the destination countries tend to be based on the false perception that “migrants take jobs” or “compete for welfare benefits”, when in fact the majority of migrants create economic activity and jobs (IOM, 2009c). Trying to combat the financial crisis through repatriation policies may exacerbate it. One likely consequence could be the irregular return of the repatriated migrants to the receiving countries after realizing that their homelands are not better suited to receive them than the countries which had repatriated them.

The economic crisis was one reason to limit foreign worker migration to the Czech Republic, but not the only one. Irregular migration from Vietnam and Mongolia had already started to undermine the Czech foreign worker admissions before the crisis. Thus, to ameliorate labor migration management in the Czech Republic, the government policy should examine and act upon the factors which facilitated illegal migration; it should address the Czech and Vietnamese legislation loopholes which lent themselves to abuse by the less scrupulous labor intermediaries. The Czech and Vietnamese governments should negotiate conditions under which work agencies could be authorized to move workers across the borders and the conditions under which they could act as employers. Employers and workers should be able to find it administratively easy to conclude labor relationship without the need to rely on the third parties. Shortening the contracting chain would also make it easier for the competent authorities to

enforce the rules more efficiently: it should help to reduce the expectation that everybody will get visa in Vietnam, and misunderstandings regarding working conditions in the Czech Republic.

If the goal of the Czech government is genuinely to prevent migrants' pauperization and crime, it should extend voluntary return possibilities for the irregular migrants. This could be achieved in cooperation with the IOM, which in Spain has assisted voluntary return, regardless of workers' status and so far has attracted more migrants than the government program which excluded those in irregular status. Apart from being more inclusive, the IOM voluntary return program offers post-return assistance. The post-return assistance helps to absorb some of the negative labor market effects of return migration. In the 1970s and 1980s Germany and Turkey, as well as Sweden and Yugoslavia launched bilateral job-creation assistance agreements. In 2009 a Limerick (Ireland) branch of DELL electronics which had employed many Poles will be moving to Lodz (Poland) (Gazeta Wyborcza, 2009). However, unlike Ukrainians or Moldavians, many Vietnamese workers in the Czech Republic have worked in commerce and restaurants for which there is no more demand in Vietnam.

One way to protect Czech foreign workers from pauperization, regardless of the sector in which they worked, would be to extend them the right to participate in retraining programs and to grant complete labor market mobility. The downside of such a policy would be that mobile non-EU workers would compete with the Czech and EU workers for the same jobs. The benefit would be that they would integrate themselves better on the labor market and with the host society, thereby minimizing vulnerability to unemployment and xenophobia.

There are no easy crisis protection measures. But, if the developing countries wish to keep up with the goal of co-development of the countries of origin, they should at least accept those whom they had attracted during the economic boom, so as to prevent that the large return migration that exacerbates the crisis in countries which were already poor before the economic downturn.

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