

MIGRATION TRENDS OF THE LABOR FORCE IN THE SLOVAK REPUBLIC AT THE BEGINNING OF THE SECOND MILLENNIUM

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Abstract At present time, there is no single coherent systematic theory that would fully explain the causes of the migration or the motivation that leads to the population migration. Migration theories aim for explanations for the population migration. The idea that prevails is that the employment and economic motives are primary reasons for migration; however, these are not the only reasons. Structural and cyclic aspects of unemployment in the Slovak Republic significantly contribute to the foreign migration. It is necessary to solve this undesirable effect through the policy aimed at the competitiveness of the economy and creation of favorable conditions for the long-term sustainable economic growth.

Keywords: Balance of Migration, Immigration, Emigration, Labor Migration

Introduction

Slovakia is currently a country with population free to decide where to spend their lives, where to study, work, where to travel to gain knowledge or experience. This does not mean that there are no new obstacles, restrictive immigration limits, the visa requirement, the lack of financial resources, etc. Nevertheless, the actual number of people deciding to migrate, the contemplation of migration, i.e. the potential migration is the reflection of the life perspective in Slovakia.

First theories of migration presented in late 1960s and early 1970s focused on the reason for migration to be the comparison of pensions in the homeland and the region chosen for immigration. The decision on migration from one region to other (usually from the poor to the rich one) in these models depends on the amount of income in both regions and the probability of the individual of earning such income. These models anticipate the individual to be neutral to risks. Two trends can be deduced from these models. The first one states that the decrease of imbalance between poor and rich regions will decrease the migration. The second states that the higher probability of employment in rich regions increases the migration. Empirical studies focusing in the inter-regional mobility in transitive economies usually note a very low level of migration and they try to determine factors influencing this level [2].

The aim of this article is to evaluate the course and consequence of the labor force migration in Slovakia and abroad. There were several research methods used, such as the comparative method, the method of analysis and synthesis. References were derived from web pages, academic books, research journals and periodicals. The

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course of the migration is seen from the migration balance, i.e. the depiction of the migration in a certain time period. The balance of the labor force migration is supplemented by data on absolute numbers of migrants. The balance of migration is considered the difference between the number of emigrants and immigrants.

Results and Discussion

Economists consider the migration to be the result of a rational action of an individual migrating in an effort to maximize his/her utility. This results in the fact that better economic conditions in other countries encourage people to migrate. When analyzing the migration in Slovakia, the article focuses on the main type – the labor migration.

In economic theories, in the state of an absolute competition, the labor force allocates those labor opportunities that result in the maximum benefits from employment. The main motivation in the migration decision is the effort to improve the economic situation and labor conditions. There still exists labor force searching for better work opportunities (under conditions of increased productivity and income). At the same time, companies search for new employees. The result is the boundary value of production determined by the labor supply and demand leading to the labor market balance.

At present, there is no single coherent systematic theory (model, conceptual framework) fully explaining the causes of migration or the motivation leading to the population migration. Migration theories aim for explanations for the population migration. The idea that prevails is that the employment and economic motives are primary reasons for migration; however, these are not the only reasons. Family relations, military conflicts and other factors are often of the same importance.

A massive migration occurred mostly in the 19th century. This migration originated in the European countries and headed to three world areas:

- The North America (USA, Canada)
- The South Africa, Australia and Oceania
- The Latin America (mainly from Spain, Portugal and Italy)

The migration progress (number of immigrants and emigrants) in Slovakia during 1950-2000 is presented in table 1.

The labor migration in the Slovak Republic results from the integration of Slovakia into international institutions; it represents a part of an everyday reality of the labor market and follows the situation of the labor market. The labor migration includes:

- Long-term employment of citizens of the SR abroad (one year and more),
- Commuting for employment abroad (i.e. commuters),
- Short-term, i.e. seasonal employment of citizens of the SR abroad.

Table 1. Migration summary in 1950-2000

Year s	Immigrant			Emigrants			Balance of Migration		
	Foreign migr.ex cl. ČR	Migrati on ČR and	Overa ll	Foreign migr.ex cl. ČR	Migrati on ČR and	Overa ll	Foreign migr.ex cl. ČR	Migrati on ČR and	Overa ll
1950-59	4 241	177 758	181 999	2 735	270 065	272 800	1 506	-92 307	-90 801
1960-69	10 106	106 677	116 783	6 303	175 114	181 417	3 803	-68 437	-64 634
1970-79	8 251	74 383	82 634	6 683	109 397	116 080	1 568	-35 014	-33 446
1980-89	4 132	59 320	63 452	5 758	94 799	100 557	-1 626	-35 479	-37 105
1990-99	15 423	37 187	52 610	3 163	38 386	41 549	12 260	-1 199	11 061
1993-2000	11 627	16 634	28 261	2 142	8 549	10 691	9 485	8 085	17 570

Source: Rievajová E. (Labor and Social Policy, 2001, vol. 9, no. 12, p. 7.)

From the demographic perspective, the Slovak Republic is not a country with significant migration, although in terms of intra-state conditions, these cannot be regarded as insignificant and they should not be underestimated. Slovaks were the largest group of foreign workers in the Czech Republic in 1999 (53 200). Main emigration flows are focused on the closest countries – Germany and Austria (until December 31, 2000, there were 8 151 Slovak workers employed in Germany and in Austria, Slovak workers represented the ninth largest group with 4 thousand workers). The employment of Slovak citizens abroad has its advantages and disadvantages. On one hand, the departure of a part of population decreases the tension on the domestic labor market; on the other hand, it results in the outflow of highly qualified specialists and creates a local deficit of the labor force in some professions [6].

A significantly higher migration inclination is demonstrated by people with higher qualification, which can result in a significant decrease of the education potential of Slovakia and the competitiveness of the economy in general.

The employment abroad results in an increased economic effect on workers with higher qualification. Every third citizen of Slovakia wants to leave the country mostly up to a month time, the following reason are stated: money, language, experience. The European Union countries show interest in highly qualified people – IT specialists, doctors, architects, as well as seasonal agricultural workers and other unskilled workers. The motivation for an employment abroad depends on education: for the highly qualified workers it is apart from a higher income the

possibility of the personal growth, for the rest it is represented by the higher income [6].

The progress of the migration abroad (the number of immigrants and emigrants) in Slovakia during the selected time period of 2001-2005 is presented in table 2 and chart 1.

Table 2. Number of immigrants and emigrants in the Slovak Republic

Index	Year				
	2001	2002	2003	2004	2005
IMMIGRANTS	2 023	2 312	2 603	4 460	5 276
A year-on-year index of immigrants	-	1,14	1,12	1,71	1,18
Immigrants from the ČR	990	749	650	987	1 144
EMIGRANTS	1 011	1 411	1 194	1 586	1 873
A year-on-year index of emigrants	-	1,39	0,84	1,32	1,18
Emigrants to the ČR	398	449	448	662	734
Balance of migration (immigration – emigration)	1 012	901	1 409	2 874	3 403

Source: Statistical Office of the Slovak Republic, author's processing

The number of emigrants shows also rising tendency. Between 2003 and 2004, the emigration has risen by 1.32 times the level of the previous year. It represents the growth of emigration by 32 per cent.

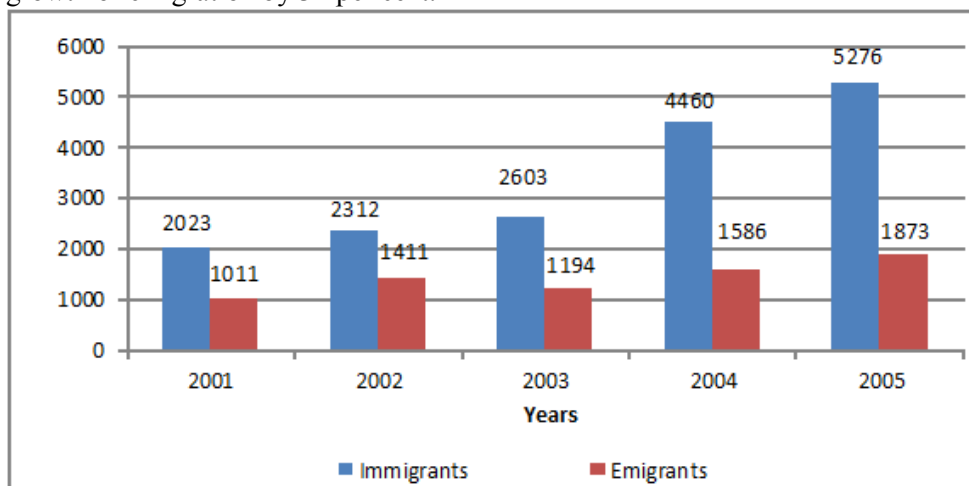


Figure 1. Number of immigrants and emigrants in the Slovak Republic in 2001 - 2005

Source: Statistical Office of the Slovak Republic, author's processing

Based on the numbers, it is possible to state that immigration has a rising tendency in the Slovak Republic. Especially in 2004, after the SR joined the EU, the number of immigrants has risen significantly by 1857 person, i.e. 1.71 times the level of the previous year. That stands for a 71 per cent rise of immigration compared to 2003.

The interesting fact is that the number of immigrants from the Czech Republic was higher than the number of emigrants to the Czech Republic. This is explained by an inaccurate statistical agenda and to the fact that after the introduction of the flat tax in Slovakia (19 per cent), many companies moved their production to Slovakia.

The previous figures show that the foreign migration registered a significant rise in 2004. Still, the largest migration movements are between the Czech and Slovak Republic. Apart from the Czech Republic, the most popular migration countries for Slovak labor force are England, Hungary and Ireland. For Slovaks, the higher income level in the EU countries compared to that in Slovakia is a sufficient motivation for emigration. There is a discernible evidence of an increased migration in 2004, the year of the SR joined the EU (May 1, 2004). The largest migration movements in Slovakia are in the Prešov region (in 2004, there was recorded a 200 per cent growth of emigration). On the other hand, the lowest migration movement is in the Bratislava and Trnava regions.

Structural and cyclic aspects of the unemployment in the Slovak Republic add significantly to the migration of population. It is necessary to solve this undesirable effect through the policy aimed at the competitiveness of the economy and creation of favorable conditions for the long-term sustainable economic growth. It is difficult to anticipate the number and structure of population that plans to leave the country because of un/employment; however, it is evident that emigration especially among the young, qualified population can result in difficulties in social and demographic structure of the population as a whole and will affect the economic and social system as well as the competitiveness potential of the Slovak economy. On the other hand, it can be perceived as an asset for the EU countries taking into consideration their demographic trends.

The projected migration of the population of the Central and Eastern Europe (SVK) to the European Union (EU) is presented in the table 3.

Table 3. Projected migration of population from the CEE countries to the original 15 EU countries

Country	Changes in the number of migrants from the CEE countries compared to the previous year							
	1998	2002	2005	2010	2015	2020	2025	2030
Belgium	10 773	4 241	3 140	1 855	1 043	534	220	30
Denmark	8 863	3 489	2 583	1 526	858	439	181	25
Germany	554 869	218 430	161 720	95 560	53 721	27 510	11 320	1 539
Finland	11 985	4 718	3 493	2 064	1 160	594	245	33
France	22 000	8 661	6 412	3 789	2 130	1 091	449	61
Greece	20 131	7 925	5 867	3 467	1 949	998	411	56
Britain	39 000	15 353	11 367	6 717	3 776	1 934	796	108
Ireland	200	79	58	34	19	10	4	1
Italy	34 490	13 577	10 052	5 940	3 339	1 710	704	96
Luxemburg	700	276	204	121	68	35	14	2

The Netherlands	9 606	3 782	2 800	1 654	930	476	196	27
Austria	103 000	40 547	30 020	17 739	9 972	5 107	2 101	286
Portugal	781	307	228	135	76	39	16	2
Sweden	26 191	10 310	7 634	4 511	2 536	1 299	534	73
Spain	10 539	4 149	3 072	1 815	1 020	523	215	29
EU overall	853 128	335 844	248 650	146 927	82 597	42 299	17 406	2 368

Source: LÍŠKA, M., PRUŠKOVÁ, A. (*Personalistika – mzda – práca*, 2001, no. 13, p. 25)

The problem of the Slovak economy is that thousands of job opportunities are terminated; however, no new job opportunities are created. The key issues are the global unemployment with the overall oversupply of the labor force in connection to the condition and requirements of the actual economy.

It is important to realize that the traditional production society is no longer considered a symbol of the prime technology, as perceived in the 19th century. In the 21st century, developed economies depart the traditional production professions (e.g. steel industry, automobile industry and textile industry) in favor of their modern equivalents, e.g. IT, telecommunication and information technologies. Similarly, the structure of demand changed and the present consumers show no interest in articles attractive to their parents. In the time of globalization, technical innovations are fully displayed in the production resulting in the labor force (people) being replaced by the labor of inanimate objects (devices and computer systems; some labor occupations no longer exist because of innovation, on the other hand, new highly demanding in qualification and skills were created). It can be stated based on the above-mentioned that the demand for the low qualified labor force starts to decrease and increasing is the demand for the qualified skilled workers (or work experience) that will lead, together with the retirement of the “baby-boom” generation to an enormous pressure on the outflow of the qualified labor force from Slovakia abroad, to countries with higher income and a better system of motivation of the labor force.

Summary

The migration has many economic consequences. Usually, considered are external influences of migration and an influence on the competitiveness and effectiveness of the function of economies. The economy with the outflow of educated people loses the productive labor force and its production possibilities are decreasing; at the same time, it loses external influences of educated people on the society. The country with outflow of people who received the education subsidized from taxes loses the possibility of the return of this investment in the form of higher taxes paid by economically active population with higher income. The departure of educated people with higher income abroad results in the pressure on the tax revenue of the

state and consequently on the increase of the tax load or reduction of the state provided services.

The country loses the productive labor force, sources invested in its education, product created and from the fiscal perspective the additional tax revenues. During the progressing process of integration of the Slovak Republic in the European Union, these tendencies will probably only strengthen. The effort of the European Union for the transition period for enabling the free movement of the labor force is not necessarily only in the interest of the current EU member states. As stated above, it is the educated and young labor force that migrates. This is the reason for the home country to solve the problem of the outflow of the qualified labor force abroad.

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TRENDY W MIGRACJI ZAROBKOWEJ NA POCZĄTKU REPUBLIKI SŁOWACKIEJ DRUGIEGO TYSIĄCLECIA

Streszczenie: W chwili obecnej, nie ma jednej spójnej teorii, która mogłaby w pełni wyjaśnić przyczyny migracji lub motywacji, która prowadzi do migracji ludności. Teorie migracji dążą do wyjaśnienia zjawiska migracji ludności. Obowiązuje przekonanie, że o zjawisku tym decydują motywy związane z zatrudnieniem i motywy ekonomiczne, jako główne przyczyny migracji, jednakże nie są to jedyne powody. Strukturalne i cykliczne aspekty bezrobocia w Republice Słowackiej znacząco przyczyniły się do migracji zagranicznych. Należy rozwiązać ten niepożądany efekt poprzez politykę mającą na celu

zwiększenie konkurencyjności gospodarki oraz tworzenia korzystnych warunków dla długoterminowego zrównoważonego wzrostu gospodarczego.

在斯洛伐克共和國的第二個千年開始的移民趨勢在支付

摘要：目前，有沒有一個單一的連貫的理論體系，就充分說明遷移的原因，導致人口遷移的動機。遷移理論旨在解釋人口遷移。流行的想法，是就業和經濟動機是遷移的主要原因；然而，這些都不是唯一的原因。

在斯洛伐克共和國結構性的失業和循環方面的顯著貢獻的外國移民。這是必要的，通過在經濟的競爭力和創造長期可持續的經濟增長的有利條件的政策，旨在解決這一不良影響。