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## **Demographic Slump vs. Immigration Policy: The Case of the Czech Republic**

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Working Paper 127  
November 2005

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## Introduction

The present paper deals, above all, with the current program of immigration facilitation launched by the government of the Czech Republic (hereinafter CR) in 2001. The program, called “Pilot Project”, should test future larger-scale immigration policy implementation. One of the contributing factors to such a policy was the decline of the Czech population over the last decade. The paper will also look into the population development and give a brief historical background.

### **Brief historical background of the CR: from being a part of multinational Austrian-Hungarian empire to its present ethnic monoculture**

In the Austrian-Hungarian Empire, of which today’s territory of the Czech Republic was a part, there were several major nationalities. The population total in 1910 was approximately 49.5 million people (Austrian part of the Empire 28.6 million, Hungarian 20.9 million). The Czechs amounted then to 13 percent. The ethnic composition of Austria-Hungary based on the last census before World War 1 (and before the break-up of the empire) can be seen from the following table:

Table 1: Ethnic Composition of Austria-Hungary, 1910

Ethnicity	Percentage
German	24
Hungarian	20
Czech	13
Polish	10
Ruthenian [incl. Ukrainian]	8
Romanian	6
Croat	5
Slovak	4
Serb	4
Slovene	3
Italian	3

The Austrian part had 28.6 million inhabitants, the Hungarian 20.9 million. Out of the Austro-Hungarian total of 49.5 million, Czechs numbered 5.96 million, ie almost 13 percent.<sup>1</sup>

The following table shows the development of ethnic structure in the territory of today’s Czech Republic since the formation of independent Czechoslovakia (based on official censuses): while in 1921 about two thirds of the newly founded republic claimed Czech ethnicity, by 2001 this figure had risen to more than 94 percent.

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<sup>1</sup> Data on Austria-Hungary in: *Allgemeines Verzeichnis der Ortsgemeinden und Ortschaften Österreichs nach den Ergebnissen der Volkszählung vom 31. Dezember 1910* (ed. by K.K. Statistische Zentralkommission, Vienna, 1915)

Table 2: Ethnic Composition in the Territory of the Present Czech Republic, 1921-2001 (in percent)<sup>2</sup>

Census in	Ethnicities					
	Czech	Slovak	Polish	Hungarian	German	Others
1921	67,6	0,2	1,0	0,1	30,6	0,6
1930	68,4	0,4	0,9	0,1	29,5	0,7
1950	93,8	2,9	0,8	0,1	1,8	0,6
1961	94,3	2,9	0,7	0,2	1,4	0,6
1970	94,5	3,3	0,7	0,2	0,8	0,5
1980	94,6	3,5	0,6	0,2	0,6	0,5
1991	94,8	3,1	0,6	0,2	0,5	0,9
2001	94,2	1,9	0,5	0,1	0,4	2,8

The most obvious change between 1921 and 2001 occurred in the aftermath of World War 2, when the vast majority of ethnic Germans were transferred/expelled to Germany and Austria. There were 3.2 million Germans transferred in 1945-47. In addition, at the same time approximately 90 thousand of ethnic Hungarians were transferred from Slovakia to Hungary. To replace them, about 220 thousand ethnic Czechs and Slovaks were repatriated from abroad, especially from Hungary, the Soviet Union, Romania, France, Austria, Poland, Germany and Yugoslavia.

### Characteristics of the demographic development in the Czech Republic (CR)

The CR's population has been remarkably stable over recent decades. In a country which industrialized earlier than most of her neighbors, low birth rates were achieved during the interwar period and the transition to the small-family model was started. The following table shows the total population figures over the last century:

Table 3: Czech Population Totals in the 20th Century<sup>3</sup>

Year	Population in millions
1918	10.00
1938	10.90
1947	8.77
1990	10.36
2004	10.20

The stabilized growth over the 20<sup>th</sup> century – the exceptional 1947 figure reflects the loss of the German-speaking population rather than war casualties – turned into moderate decline starting in the 1990s, when the fertility rates (births per woman) dropped quite dramatically, deep under reproduction level of 2.1; according to Eurostat, the Czech Republic has the lowest fertility rates of all new EU countries.

<sup>2</sup> Census data at <http://www.czso.cz>

<sup>3</sup> Sources: Z. PAVLÍK, *Population Development of the Czech Republic 1999* (editor with M. Kučera). Department of Demography and Geodemography, Prague 1999, and Czech Statistical Office updates at <http://www.czso.cz>

Table 4: Total Fertility Rates<sup>4</sup>

Year	Fertility Rate
1920	2.96
1938	1.82
1946	3.25
1966	2.01
2004	1.23

This change was by no means caused by an easier availability of birth control, commonly applied prior to 1989. In the new post-1989 world, young people prefer to pursue their careers available to them to a much larger degree than before, postponing marriage and/or parenthood. This can be seen from the table below showing really dramatic increases. However, many young and now even middle-age people prefer – sometimes lifelong – cohabitation without marriage and therefore the figures below may be slightly misleading.

Table 5: Mean Age at First Marriage Males/Females<sup>5</sup>

Year	Males	Females
1988	24.5	21.7
2004	30.5	28.0

In the new social and economic environment, the improved medical care and healthier regimen have lead to longer life expectancies over the last fifteen years. Needless to say, the increased life expectancy has strained the Czech pay-as-you-go retirement benefit system, as ever fewer working people must support ever more senior citizens.

Table 6: Life Expectancy at Birth, Males/Females<sup>6</sup>

Year	Males	Females
1920	47.05	49.60
1938	56.49	60.78
1990	67.58	75.36
2000	71.65	78.35
2004	72.55	79.04

The improved medical care has further improved infant mortality figures (which were already quite high under the old regime):

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> Sources: [http://sreview.soc.cas.cz/upl/archiv/files/226\\_267RABU1.pdf](http://sreview.soc.cas.cz/upl/archiv/files/226_267RABU1.pdf) and Czech Statistical Yearbook 2004. [http://www.czso.cz/csu/edicniplan.nsf/publ/1414-03-\(casova\\_rada\)](http://www.czso.cz/csu/edicniplan.nsf/publ/1414-03-(casova_rada))

Table 7: Infant Mortality Figures for Selected Countries, Estimates for 2005<sup>7</sup>

Country	Infant Mortality Figure
Czech Republic	3.97
Germany	4.20
Canada	4.82
Russia	16.96
USA	6.50
Japan	3.26
Singapore (World's Lowest)	2.29
Angola (World's Highest)	187.49

### **The Czechs: from a nation providing immigrants to immigration recipients?**

Historically, the Czechs were a source of immigrants to North America. Some of these were political exiles (after the crushing of the 1848 revolution, those who had to flee the Nazi regime for political or racial reasons or those who left after the Communist takeover in 1948;<sup>8</sup> many left the country after the 1968 Soviet-led invasion which crushed the Prague Spring).<sup>9</sup> However, the bulk of the immigrants were trying to improve their economic lot. In the latter half of the 19<sup>th</sup> century, they were typically second, third or fourth sons or daughters of small farmers, people with no chance of inheriting the stead or getting reasonable dowry. They headed to several cities of the U.S., above all to New York (point of entry for most) and to Chicago's Berwyn and Cicero neighborhoods, and to several mid-western states (the Dakotas, Iowa, Nebraska) as well as Texas. After the 1989 collapse of the old regime and the chance of more decent life in the home country, the emigrants' flow virtually stopped.

During the first decade following 1989, the Czech Republic served as a conduit country for illegal immigrants heading further west. With growing affluence, it is now becoming a final destination for many East European as well as 3<sup>rd</sup>-world immigrants, many of them claiming refugee status.

<sup>7</sup> Defined as a number of infants per 1000 dying in the first year of life. Source: CIA Factbook 2005.

<sup>8</sup> In 1948-1967, approximately 250 thousand persons left the country for the West; in the period immediately after the 1948 coup, about 60 thousand went into exile. Source: [http://www.mvcr.cz/uprchlici/op\\_brouc.html](http://www.mvcr.cz/uprchlici/op_brouc.html) (Czech Ministry of Interior), October 20, 2005.

<sup>9</sup> About 245 to 250 thousand people left in 1968-89, in 1968-69 about 104 thousand. The 1948-1989 total was 500 thousand. University-level educated persons were 2.5 times more represented in the emigré cohort than the other groups. Source: [http://www.mvcr.cz/uprchlici/op\\_brouc.html](http://www.mvcr.cz/uprchlici/op_brouc.html) (Czech Ministry of Interior), October 20, 2005.

Table 8: Illegal Immigrant Flows (Data from 1997, the Record Year)<sup>10</sup>

Illegal Border Crossing	Number of Persons
CR to Germany	18983
Germany to CR	1877
CR to Austria	1522
Austria to CR	729
Slovakia to CR	2448
CR to Slovakia	96
Poland to CR	1562
CR to Poland	1392
Intern'l Airports, to CR	542
Intern'l Airports, from CR	18
Total	29169

Most of the illegal crossings were made by the citizens of Romania, Yugoslavia, Iraq, Afghanistan, Bulgaria, and Macedonia.

### The New Immigration Scheme Launched by the Czech Government

The combination of low birth rates and growing life expectancy has been worrisome for a number of years. Many demographers as well as economists have been asking: Can the present pay-as-you go system, supported by widespread consensus, continue in the coming decades?

The Czech authorities have chosen immigration as an instrument which should, among other things, alleviate the demographic slump and attract highly skilled experts who are lacking in the Czech Republic. In 2001, the "Selection of skilled foreign workers" (Výběr kvalifikovaných zahraničních pracovníků), also called a "Pilot Project", was launched. Its test phase is scheduled for five years.<sup>11</sup> The Pilot Project offers entitled skilled workers and their families permanent residence status after 2.5 years of stay in the Czech Republic (standard period being 10 years). In the initial phase, the Pilot Project was limited to linguistically and culturally akin ethnics. The applicants must be graduates of high school or university and have a legal employment in the Czech Republic. The quotas are newly set every year. The pilot project was modified in 2002, 2004, and 2005. In the first year, the project was made accessible for citizens of Bulgaria, Croatia, and Kazakhstan.<sup>12</sup> Since October 2004 it has also been available to citizens of Belarus, Moldova, to graduates of Czech universities from all countries (except those who study in the Czech Republic as development aid beneficiaries).<sup>13</sup> Since July 2005 citizens of Serbia and Montenegro and Canada were added as well as graduates of Czech high schools. The project should be extended to nationals of more countries in the near future.

The Czech Government claims that

- immigrant experts do not compete for jobs with Czech unemployed citizens as the immigrants under the Pilot Project will not be able to secure work permit (a precondition to

<sup>10</sup> Czech Statistical Yearbook 2004. [http://www.czso.cz/csu/edicniplan.nsf/publ/1414-03-\(casova\\_rada\)](http://www.czso.cz/csu/edicniplan.nsf/publ/1414-03-(casova_rada))

<sup>11</sup> Czech government program; the full formulation of the government policy, see [http://www.imigrace.mpsv.cz/download/vladni\\_usneseni\\_2001.pdf](http://www.imigrace.mpsv.cz/download/vladni_usneseni_2001.pdf) (Czech only, October 10, 2005)

<sup>12</sup> It should be noted here that approximately 34 percent of Kazakh nationals use Russian or Ukrainian as their mother tongue.

<sup>13</sup> The total number of foreigners studying at Czech universities amounts to 14,200 persons (among them 9300 Slovaks, 520 Russians, 440 Ukrainians). Source: *Lidové noviny*, October 25, 2005.

their inclusion in the program) if there is sufficient domestic labor force ready to fill in such vacancies;

- one immigrant expert produces approximately two more employment opportunities;
- experts will become net contributors to the welfare system; and that
- experts may partly alleviate the problem of aging of Czech population and the resulting crisis of the pay-as-you-go system.

It has been argued that active pro-population measures like increased children's benefits paid to everybody should bring the population growth back without immigration. However, the previous attempts at such policies failed. In the mid-1970s, the Czechoslovak Government increased these benefits dramatically but the effects were short-lived.

The Pilot Project tries to experiment with the proposed fast-track immigration of a limited number of people. The immigrant interface institutions as well as databases and other software must be tested first before more immigrant source countries are added and the numbers of skilled immigrants are substantially increased. In the first phase, no present EU countries were included as the movement of labor is or will shortly be very liberal between the EU members. It should be added here that in the EU countries, the ratio of legal immigrants in the population total averages 10 percent.

The selected states of immigrants' origin have similarly sized populations, similar historical experience, more or less similar educational systems and standards and, last but not least, their (Slavic) languages are related to Czech. During the test-phase years, several hundred persons should be accepted. Even before the launching of the Pilot Project, the overall quantity of immigrants per year has averaged 10 thousand, ie one half of the net population loss per annum.

The Pilot Project is intended to provide certain services to immigrants in order to solve their specific difficulties: having to accept employment below their skill levels, they may face discrimination, lack language proficiency, etc. However, these services are yet to be developed.

The Czech Republic joined the EU in 2004. During preparatory phase for membership, it had to adjust her policies to Brussels in many respects, including immigration policies and the policy of free movement of people. Since 2004 there has been some migration of Czech highly skilled workers and professionals to richer EU countries. The Pilot Project should pave the way for the replacement of such persons. In fact, such migratory processes have been taking place for some time; for instance the vacancies left by East German doctors of medicine who have been leaving for Western Germany are being filled by Czech doctors seeking higher salaries, while the Czech vacancies in turn are being filled by doctors coming from Slovakia and partly from Eastern Europe.

## **The Results of the First Years of the Pilot Project**

The results of the Pilot Project so far have been modest. However, the program of fast-track permanent residence status for immigrants was launched in 2002 only and therefore the full impact of it is yet to be seen. As of October 3<sup>rd</sup>, 2005, there have been only 317 beneficiaries of fast-track permanent residence permit.

The following table shows the structure of the Pilot Project immigration by country of origin.

Table 9: Pilot Project Immigration by Country of Origin (October 2005)<sup>14</sup>:

Bulgaria	Kazakhstan	Croatia	Belarus	Moldova	Serbia & Montenegro	Canada	Total
168	33	6	53	22	5	0	317

The following table shows the professional structure of successful beneficiaries of the fast-track program.

Table 10: The professional structure of successful applicants:<sup>15</sup>

Profession/Skill	Number	Percentage
Technical	60	20
IT	28	9
Medical	26	8
Legal	1	0
Artistic	14	4
Administrative	26	8
Management	27	9
Scientific Workers	17	5
Others	116	37

The new Czech immigration policy cannot be expected to make up fully for the demographic loss. In 2030, the Czech labor market will miss about 420 thousand workers. The more pessimistic scenarios even predict that as many as 2 million workers will be needed then to preserve the living standard of older generation.

One of the leading Czech demographers, Charles University's Professor Dusan Drbohlav, does not expect a great improvement of the demographic behavior from immigrants.<sup>16</sup> Most new immigrants under the program are likely to come from countries whose demographic parameters, including their low birth rates, are quite similar to those in the Czech Republic.

An effective immigration policy should be especially important for Europe, a continent that has been aging faster than the other regions of the world.

## Road to Citizenship

The Pilot Project is no immigration act. The Czech citizenship legislature is very strict and the procedure of naturalization is difficult and protracted. The citizenship may be awarded to a physical

<sup>14</sup> Source: Marie Wichterlová, International Organization for Migration. More on the Pilot Project at <http://www.imigrace.mpsv.cz/?lang=en&article=media&mm=2001> (October 15, 2005).

<sup>15</sup> Source: Marie Wichterlová, International Organization for Migration.

<sup>16</sup> See <http://www.mvcr.cz/azyl/integrace2/nks01/prispevek3.pdf> (Czech only)



person that meets all the conditions of paragraph 7 section 1 of the Czech Citizenship Act, stipulating that he or she:

- has predominantly lived in the CR as a permanent resident for at least five years,
- is able to prove that by obtaining Czech citizenship he or she will be deprived of the previous citizenship or prove that he or she has lost his or her citizenship, unless he or she is a stateless person or is able to prove that he or she is a refugee living in the Czech territory,
- was not sentenced for a deliberate criminal act,
- can prove his or her Czech-language proficiency,
- meets the obligations arising from the legal regulations for residence and entry of aliens to the Czech Republic as well as obligations arising from special regulations concerning medical insurance, welfare insurance, retirement benefit insurance, and other due payments and fees.

### **Conclusion: Popular Backlash Against Immigration?**

The old regime was pursuing a policy of the assimilation of minorities. This legacy would seem to bequest nativist backlash against immigration. At present, however, there is no populist political party or movement represented in the Czech legislature. The only populist anti-foreigner (and anti-German) party, the so-called “Republican Party of Czechoslovakia”, disintegrated after its failure to return to Parliament in the elections of 1998 and its chances of a comeback are nil. Without the “Republicans”, the backlash against immigration seems to lack any institutional support. Moreover, the present electoral system with a 5-percent threshold makes it very difficult for new parties to enter Parliament. In the opinion polls taken over the last decade the backlash and rejection of the Romanies overshadow any anti-immigrant sentiments.

In the 1990s, there were repeated cases of individual violence against the Vietnamese guest workers.<sup>17</sup>

The acceptance of immigration is likely to be supported by the fact that the Czech Republic joined the European Union in 2004. Unlike NAFTA, the EU has a policy of not only a free flow of goods, services, capital but also of people.<sup>18</sup> This will in all probability result in increased migration from and to other EU countries.

The present political elites in the Czech Republic do not seem to have grasped fully the need for attracting highly skilled migrants. While most industrialized countries are now intensely competing for such people (eg the recent green card program launched, with mixed results, by Germany), the Czech authorities are still overcautious in this respect and the Pilot Project is too tentative. Although the figures in Table 9 are very low, we should bear in mind that the Pilot Project makes

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<sup>17</sup> The Vietnamese guest worker program was launched in 1973. The Czechoslovak factories were confronted then with a lack of workers. Many Vietnamese managed to stay even after 1989. At present there are approximately 20 thousand Vietnamese workers with work permit. With the family members included, the total number of Vietnamese is around 34 thousand. Source: *Demografie*, 2005, 47:167.  
[http://www.czso.cz/csu/edicniplan.nsf/publ/1414-03-\(casova\\_rada\)](http://www.czso.cz/csu/edicniplan.nsf/publ/1414-03-(casova_rada))

<sup>18</sup> However, most of the fifteen pre-2004 EU-nations have imposed temporary restrictions on the free flow of services and people from some of the new member states, including Czech Republic, Slovakia and Poland; the free flow is not limited by the UK, Ireland, and Sweden only.

participating would-be migrants eligible for permanent residence after 2.5 years. As the scheme was launched in 2002 only, it is still too early to regard it as a failure.