



LABOUR MOBILITY SCHEME FOR SLOVAKIA

MAIN FINDINGS FROM THE RESEARCH REPORTS COMPENDIUM

A summary of research reports prepared under the Technical Support for the Development of a Labour Mobility Scheme for Slovakia project and presented in the Research Reports Compendium.





Main findings from the Research Reports Compendium drawn up under the Technical Support for the Development of a Labour Mobility Scheme for Slovakia project.



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Contents

| | |
|----------------------------------------------------------------------------------------|----|
| Introduction | 3 |
| PART I: Legal analysis | 6 |
| 1. Labour mobility agreements..... | 6 |
| 2. Labour mobility in Slovakia and categories of groups of foreign employees..... | 7 |
| 3. Pre-entry phase: Recruiting foreign workforce | 9 |
| 4. Pre-entry phase: Foreign service offices and their powers | 11 |
| 5. Recognition of education and professional qualifications..... | 12 |
| 6. Obtaining residence permit and work permit | 15 |
| 7. Existing instruments facilitating entry and stay..... | 19 |
| 8. Residence | 20 |
| 9. Termination of residence and return..... | 23 |
| PART II: Identifying the needs of the Slovak labour market | 25 |
| PART III: Integration of foreign workers and their family members..... | 29 |
| 1. Integration policies and their institutional framework in the Slovak Republic | 29 |
| 2. Labour market integration..... | 30 |
| 3. Integration services for family members | 31 |
| 4. Access to integration services, information and counselling | 31 |
| 5. Access to housing..... | 32 |
| 6. Access to education | 34 |
| 7. Access to healthcare services | 35 |
| 8. Culture, religion and relationships with a receiving community | 36 |
| 9. Civic and political participation..... | 37 |
| PART IV: Fiscal impacts of migration in the Slovak Republic | 39 |



Introduction

Experts and economists agree that Slovakia needs an effective and transparently managed labour mobility policy because labour mobility¹ is one of the factors that has the potential to positively affect Slovakia's economic growth in coming years.²

Foreign labour migration represents one of the fastest and most effective way of meeting labour market needs in the event of a shortage of available workforce in general, as well as in specific professions. If appropriately set up, the system responds much more flexibly to the needs of the labour market than the system of career education and the system of reskilling of the available unemployed.

Integration and the related policies are an integral part of migration policies and managed migration³ at the legal, organisational, conceptual and practical levels.⁴

This is a summary of an overall research report which was produced under the Technical Support for the Development of a Labour Mobility Scheme for Slovakia project funded by the European Union (EU) through the Structural Reform Support Programme and implemented by the International Organization for Migration (IOM) in cooperation with the European Commission. This summary research report is presented in the form of a research compendium containing findings from the research and a comprehensive analysis of the legislative framework and national policies on labour mobility in Slovakia, an analysis of Slovakia's labour market, labour mobility systems in selected EU Member States, and fiscal impacts of labour migration. These served as the basis for the preparation of the **Draft Labour Mobility Scheme for Slovakia**. The Draft Labour Mobility Scheme for Slovakia (hereinafter only referred to as the "Scheme") presents measures reflecting the findings aimed at

¹ The Strategy for Labour Mobility of Foreigners in the Slovak Republic until 2020, with a view to 2030 uses the term *labour mobility* to refer to labour migration, therefore, the official name of the Technical Support for the Development of a Labour Mobility Scheme for Slovakia project which has resulted in the Labour Mobility Scheme for Slovakia, is also based on the term *labour mobility* as used in the Strategy. In European terminology, however, labour mobility means the transfer of workers between EU and EEA Member States and Switzerland on the basis of the instruments created for this purpose under European legislation (short-term mobility, long-term mobility, intra-company transfers). In the context of migration, a distinction is made between labour migration – the movement of nationals from other than EU and EEA countries or Switzerland to Slovakia or other EU country for the purpose of employment, and economic migration, the reasons for which are economic, usually motivated by the prospects of a better life and a higher standard of living.

² Responses from Kahanec M., Ďurana R. Šrámková L. and others, Onuferová M., Potrebujeme Slovensko pracovníkov z iných krajín? Zvýši alebo zníži to naše platy? (odpovedá 10 ekonómov) [Does Slovakia need workers from other countries? Will it increase or decrease our wages? (responses from 10 economists)], the Denník N daily, available at: <https://e.dennikn.sk/679289/potrebuje-slovensko-pracovnikov-z-inych-krajin-zvyši-alebo-zníži-to-naše-platy-odpoveda-8-ekonomov/> (Cited on 15.5.2020).

³ Migration is defined as the movement of a person or a group of persons from their place of habitual residence across an international border (international migration) or within a country (internal state), regardless of the nature and causes or duration of the stay. In the European context, migration refers to the movement of a foreigner who establishes their usual residence in the territory of an EU Member State for a period longer than 12 months. Short-term migration is the movement of a foreigner who changes their usual residence for a period of more than 3 months but less than 12 months, except in cases where the movement is for purposes of visits to relatives, holiday or medical treatment.

⁴ Bargerová Z., Divinský B., Integrácia migrantov v Slovenskej republike, Výzvy a odporúčania pre tvorcov politik [Integration of Migrants in the Slovak Republic, Challenges and Recommendations for Policy-makers, IOM, 2008, available at: https://www.iom.sk/en/publications/migrant-integration.html?download=134:mic/integracny_vyskum_iom.pdf (Cited on 15.5.2020).

⁵ Controlled interviews with representatives of the relevant government and local authorities and employers, together with a questionnaire survey among foreign workers from non-EU countries, were also conducted under this so-called evidence-based research.

enhancing the effectiveness of the system and making foreign workers'⁶ entry and integration in the Slovak labour market easier, primarily in occupations with a shortage of workforce.

The research under the Technical Support for the Development of a Labour Mobility Scheme for Slovakia project was conducted in two phases. The first phase was a *desk research* (secondary research) which mapped and analysed the available legislative and strategic documents, policies, annual reports and yearbooks, and other expert and academic publications and articles. An IOM team of experts participated in the desk research. Moreover members of the Advisory Board, which consisted of representatives of relevant ministries, employers and local authorities, were also actively involved throughout the preparation and elaboration of the Scheme.

In the second phase, controlled semi-structured qualitative interviews were conducted with representatives of relevant government and local authorities and employers as part of primary data collection. The IOM also conducted an anonymous questionnaire survey in four languages – English, Ukrainian, Serbian and Russian – focusing on the experiences of non-EU foreigners with the immigration process and life in Slovakia. Some aspects learnt from the questionnaire survey were further explored in a moderated discussion/focus group of randomly selected participants – foreign workers who were willing to participate in this part of the research.

The IOM also organised a roundtable with organisations that provide integration services or are active in the field of migration and integration of foreigners in Slovakia. Topics involved their experience in cooperating with local authorities in the provision of integration services and possibilities for foreigners' integration in Slovakia, position of non-governmental organisations within the system, and their forward-looking visions.

The research also reflects more than 15 years of experience of the Migration Information Centre of the International Organization for Migration (hereinafter only referred to as "IOM MIC") with the integration of non-EU nationals in Slovakia and capacity building of government and local authorities.

This document is divided into four parts. The first part contains the main findings from the comprehensive analysis of the legal framework and national policies on labour migration in Slovakia. It focuses on labour mobility agreements, labour mobility in Slovakia and categories of groups of foreign employees, recruitment of foreign workforce and competences of foreign service offices in the pre-entry phase, recognition of diplomas and professional qualifications, obtaining a residence permit and work permit, existing instruments facilitating the entry and stay of foreign workers, their residence in Slovakia and its termination and their return to a country of origin.

The second part presents a summary of the main findings from a research report which sought to identify labour market needs in Slovakia and long-term trends on the Slovak labour market. It also analyses developments in supply-demand relationships on the Slovak labour market based on the available statistical indicators. The source research report has also assessed, qualitatively, the existing model of accelerated granting of work permits based on a list of occupations with a shortage of workforce (hereinafter only referred to as the "List"). The List has been assessed through interviews with its users – employers, and by comparing it with the records presented by indicators. The source research report also contains particular feasible measures to improve the List by including additional indicators combined by a factor analysis into two variants of a synthetic indicator of demand for a

⁶ In the following text, non-EU nationals ('third-country nationals' in Slovak legislation) are also referred to as 'foreign workers', 'foreign workforce', 'foreign employees' or 'foreigners'. All these terms refer to persons whose country of origin is other than an EU/EEA Member State or Switzerland who intend to be, are or were engaged in a paid/gainful activity. In the EU context, 'foreigner' is a person who is not a citizen of an EU or EEA Member State, or Switzerland. In Slovak law, the term 'foreigner' means anyone who is not a Slovak citizen.. All terms and forms in the male gender also include persons of the female and other genders, and these terms need to be treated as gender-neutral.

particular occupation on the Slovak labour market. The chosen methodology enables creating a version of the List with an increased proportion of low-qualified occupations, as well as a version that represents the entire spectrum of occupations in a balanced manner.

The third part contains the main findings from a research that mapped integration policies in Slovakia targeting foreigners both at a national and local level. It focuses on the integration policies and their institutional framework in Slovakia, on foreigners' integration into the labour market, integration services for their family members, foreign workers' access to integration services, information and counselling, their access to housing, education, health care, on the possibilities to enjoy their culture and religion, on their relationships with a receiving community, as well as on their civic and political participation.

The fourth part sums up the main findings from a research report on the fiscal effects of labour migration in Slovakia. The underlying research report presents a static analysis of fiscal effects of migration, an estimate of macroeconomic effects of the change in the age structure of the population caused by migration, findings regarding regional differences among foreigners (at the level of the Bratislava region and outside), estimates of fiscal effects of the change in the educational structure of foreigners and the implications of including all foreigners into calculations of shared tax revenues at the level of regions and municipalities.

All research reports are available in their unabridged forms in the Research Compendium in the Slovak language.

An abridged version of the main findings from the Research Compendium is available both in the Slovak and English language.



PART I: Legal analysis

(Authors: Peter Drozd and Paula Paulenová)

This part, which addresses the institutional arrangements of labour mobility, political and legislative framework governing the entry and residence of foreign workers in Slovakia and also draws attention to bilateral agreements, primarily discusses instruments focused on non-EU nationals⁷ whose main motivation to arrive in Slovakia is employment and research. **Twelve instruments are distinguished** by this criterion, which bring the highest number of foreign workers to the Slovak labour market. Foreigners who are not granted residence primarily for the purpose of employment, even though they are entitled to work under such residence permit, are only mentioned in passing.

1. Labour mobility agreements

Bilateral labour mobility agreements are becoming an important tool worldwide to effectively regulate interstate labour migration, fight human trafficking and reinforce cooperation in managing non-regular migration. *For the destination countries, bilateral agreements help achieve a flow of labour that meets the needs of employers and industrial sectors, while providing for better management and promoting cultural ties and exchanges. For the countries of origin, these agreements ensure continued access to overseas labour markets and opportunities to promote the protection and welfare of their workers.*⁸

Slovakia currently does not use the bilateral cooperation instruments for mutual employment of citizens and labour mobility. It concentrates especially on supporting youth working holiday programmes, using formal instruments of bilateral agreements, but also less formal instruments in the form of memoranda of understanding.

The only agreement on the employment of non-EU citizens, which Slovakia has entered into with the Russian Federation, is currently not applied.

Slovakia has entered into agreements on working holiday programmes with Canada, New Zealand, Japan, Australia, Argentine and other. The agreements mainly benefit Slovak citizens, while the interest in participating in the working holiday programmes on the part of citizens of the other contracting party is minimal.

The problem we have identified to cause delays in practice is that foreigners arriving in Slovakia under working holiday programmes are holders of national visas. In order for an employer to meet its reporting obligation vis-a-vis labour offices, the employer has to know on what grounds the employee

⁷ Where the term “non-EU” is used in this text, it refers to countries and citizens of countries outside the European Union, the European Economic Area and Switzerland.

⁸ Source: ILO https://www.ilo.org/asia/areas/labour-migration/WCMS_226300/lang--en/index.htm (cited on 15.5.2020)

has been granted visas. However, a visa stamp in the employee's passport alone does not provide the employer with this information.

2. Labour mobility in Slovakia and categories of groups of foreign employees

Just like the motivations of people to migrate, the forms of migration are varied as well. From the perspective of labour mobility, it is important to distinguish between short-term and long-term mobility. Slovakia uses several national and European law instruments to regulate the inflow of foreign workforce to its territory. The analysis has identified 12 basic labour mobility instruments that are anchored in the Slovak legislation:

1. single permit to reside and work;
2. work permit
3. activities that do not require consent to filling a job position and/or work permit;
4. international agreements;
5. seasonal work;
6. EU Blue Card;
7. research and development;
8. Slovaks living abroad;
9. employees under mobility schemes;
10. intra-company transfer;
11. national visas;
12. activities that do not require a residence or work permit for the first 90 days.

However, a larger number of categories of employees and exemptions make the system complex and confusing.

Even though short-term labour mobility (ie. duration of less than one year) represents an important instrument to quickly and effectively meet the labour market needs, Slovakia has no adequate national legislation in place which would respond to these needs effectively. There are few functional short-term labour mobility instruments available that could help fill the understaffed sectors where there is demand for low-skilled labour. **The only forms of short-term labour mobility instrument in Slovakia include working holiday programmes for young people** from six non-EU countries (see Chapter 1 for more details), **the seasonal work mechanism, and the possibility for certain categories of foreigners to work without residence and work permits for the first 90 days after their arrival in Slovakia.** None of them is widely used, though.

Many countries implement **circular migration** an effective instrument to promptly respond to labour market demands without increasing permanent migration. The Slovak legislation has not seen any major progress in this area so far and contains no measures which would allow foreigners to come to Slovakia to temporarily work and/or receive training and education, or to use a combination of both, under a condition that once the period for which they have been permitted to enter Slovakia expires, they will return to the country of their origin.

Slovakia lacks a functional mechanism of circular migration and actively implemented bilateral agreements governing short-term employment of foreign nationals.

A simplified procedure in the case of repeated entry, typical of circular migration, is only allowed for seasonal workers under the Act on the Stay of Aliens. Generally, aliens police departments (APDs) consider security risks, public interest and public health when deciding on granting a residence permit. However, they do not take into account whether the foreigner had had a residence permit granted

before they filed an application and the reasons why their residence permit expired. Even in those cases when the foreigner's permit ended due to the loss of employment and they have re-applied for a residence permit, APDs are not required by law to consider this fact and **the application process takes as long as in the case of first-time applicants**.

Slovakia has so far **not developed instruments and mechanisms for the profiling of seasonal workers from non-EU countries**, which does not bear well on assessing the effectiveness, efficiency, relevance, suitability and sustainability of labour mobility policies.⁹

The **single permit for residence and work** (hereinafter only referred to as "single permit"), based on the applicable EU directive, is the most frequently used long-term (ie. duration of more than three months) labour mobility mechanism in Slovakia. A majority of non-EU workers is employed in Slovakia under this permit. However, there are many exemptions from this most widely used form of employment of foreign workers.

The **work permit** is a much less used instrument, which may only be applied for in some specific situations. Compared to the single permit, labour offices annually grant the work permit to as little as 1% of foreigners who have been granted a temporary residence for the purpose of work.

A relatively large number of foreigners are employed on the basis of **a temporary residence of a Slovak living abroad**, for which they apply due to having a Slovak nationality.

Slovakia does not have its own national system in place to attract high-skilled foreign workers in shortage occupations. Even the available instruments, such as the **EU Blue Card and temporary residence for the purpose of research and development**¹⁰, are only used to a very small degree at present. The EU Blue Card in the form in which it was transposed into the Slovak legislation has not proven successful. There are only a couple of EU Blue Card applicants a year.¹¹ The high salary threshold, the obligation to present a decision on the recognition of qualification and the generally required labour market test with no exception are the obstacles preventing a wider utilisation of the EU Blue Card as an instrument to regulate the access of high-skilled labour to the labour market in Slovakia.

Slovakia lacks a widely applicable definition of a "*skilled worker*" (kvalifikovaný zamestnanec) that would identify which foreign workers fall within this category, allowing them to enter the labour market under preferential conditions. For the purposes of the EU Blue Card, Slovakia has adopted the definition of a "*high-skilled job*" which refers to an occupation the practice of which requires having a higher professional qualification which must be supported by a tertiary education (university) diploma. The high-skilled worker definition adopted on the basis of the EU Blue Card directive is, however, insufficient to set up national instruments aimed at increasing the inflow of high-skilled

⁹ The answer concerns the data and information on the profile of seasonal workers available at the time of preparation of the study on seasonal workers in May 2020. Source: Získavanie a ochrana sezónnych pracovníkov z tretích krajín v EÚ – príspevok Slovenskej republiky. [Recruitment and protection of third-country seasonal workers in the EU – Slovakia's contribution.] An EMN study – questionnaire-based, July 2020. Available at: https://www.emn.sk/sk/publikacie/studie-a-policy-briefy-emn/item/download/2712_8aa02fba0b43bd56e59c6bd9328839ff.html (Cited on 1.6.2021).

¹⁰ Forty-five temporary residence permits for the purpose of research and development were granted in 2018 and 57 in 2019. Source: Štatistický prehľad legálnej a nelegálnej migrácie [Statistical overview of legal and illegal migration], Border and Aliens Police Office, 2019. Available at: https://www.minv.sk/swift_data/source/policia/hranicka_a_cudzinecka_policia/rocniky/rok_2019/2019-rocnika-UHCP-SK.pdf (Cited on 15.5.2020).

¹¹ Slovakia is one of the worst EU Member States in terms of EU Blue Cards issued. The highest number (24) of EU Blue Cards was granted in 2018; in 2019, Slovakia granted a total of 11 EU Blue Cards, or 3 Blue Cards per million population. Source: Border and Aliens Police Office.

workforce. Without a clear definition of who is considered a skilled worker in Slovakia, it is difficult to set the instruments to attract such workers and the conditions for their entry and stay in Slovakia.

Practical mechanisms targeting young people from abroad in order to attract them to study at Slovak universities and to retain this group of highly qualified foreigners in our labour market after graduation are also absent.

3. Pre-entry phase: Recruiting foreign workforce

Foreign nationals often need the help and assistance from people who are engaged in this business when they want to find a job and obtain residence in Slovakia. Entities engaged in the process of recruitment and admission of foreign workers and providing services for foreign workers to obtain residence include recruitment agencies, temporary-work agencies (TWAs), relocation agencies, authorised representatives, and coordinators.

However, relocation and integration services provided by these entities often overlap, therefore, it is impossible to strictly classify service providers into a single category.

Their involvement is often inevitable from the foreign workers' point of view because foreign nationals, especially those from visa countries, do not have sufficient sources of information about work opportunities in Slovakia and on the residence application procedure. The extensive involvement of these entities in the relocation process is associated with a certain risk of creating and increasing dependence of foreign workers on their services, especially in the case of low-skilled foreign workers whose share in total migration in Slovakia is relatively high.

The volume information about job vacancies available to foreign workers is currently insufficient.

The governmental portal with job offers – Integrated System of Type Positions (ISTP) – in its present form does not represent a suitable tool to advertise job vacancies to potential foreign workers and to attract them to Slovakia. The ISTP is available in the Slovak language only and has no functionality to filter out job offers suitable for foreigners. Multiple language versions and the possibility to filter out job positions suitable for foreigners could help make this portal more attractive to foreign workers, too. Similarly, insufficient promotion of job search portals abroad limits and decreases foreign workers' interest in working in Slovakia.

A **growing demand for the so-called relocation services** is evident in Slovakia and has created market opportunities for the establishment of relocation agencies. They specialise on this area only. Consultancy firms and law offices have also expanded their business activities, providing legal assistance to foreigner workers to a varied degree. Entities engaged in the provision of recruitment and relocation services often have a dominant position over foreigners, making them dependent on their "assistance and services", which may result in their exploitation and other forms of violence. This market is currently not regulated in Slovakia.

The Slovak legislation lacks the definition of a "relocation agency" and, **just like recruitment agencies, relocation agencies are not recorded in any official register.** There is no list of recruitment agencies and no overview of entities that provide such services. Recruitment agencies directly search for

foreign workers abroad. Many of them collaborate or have even opened branch offices in the countries¹² from which they recruit foreign workforce.

Relocation agencies and various authorised representatives also offer services that fall under the category of legal services. However, legal services can only be provided by law professionals under the applicable law. Fees, quality and scope of the services they provide are not regulated in any way.

Temporary-work agencies, entitled to employ foreigners with temporary residence (applicants for temporary residence) in a so-called shortage occupation (an occupation with a shortage of workforce available on the Slovak labour market) and assign them to a user undertaking, are regulated under the Employment Services Act. Labour offices are in charge of issuing or revoking permits for TWAs; an increase in new applications for TWA permits was observed in 2019.

Intermediary agencies often circumvent the applicable laws, recruiting non-visa foreigners to carry out work that may be performed without temporary residence for up to 90 days, but these foreigners then actually perform a different type of work, and rotating them after 90 days. The foreigners then often stay in Slovakia without a valid residence permit.

Employers interviewed during the research¹³ said they would like to cooperate with verified agencies and would appreciate having a list of agencies which guarantee a foreign workforce recruitment process complying with all legal and ethical rules.

A majority of these employers (with more than 1,000 employees) **use recruitment agencies to recruit foreign workforce even though it increases their labour costs**. The companies that do not cooperate with recruitment agencies in countries of origin said that the recruitment and arrival of a foreigner worker to a place of destination cost them less than using the agency services.

Costs of recruitment abroad are relatively high and the agencies include them in a fee paid by the user employer. The rate of return of initial costs depends on the qualification and length of employment of a foreign worker. The employers and agencies agree that even though the costs of recruiting a foreign worker may amount to approximately EUR 2,000 (e.g., in the case of Kirgiz nationals), the employers are willing to pay this price in order to fill the positions for which they cannot find suitable candidates in Slovakia. **This investment pays off if the foreign employee works at least one year for the employer.**

The intermediary fee paid by the employers is usually two to three times the monthly wage of the foreign worker. According to a 2018 survey carried out by the Slovak Business Agency on a sample of 150 companies, 35% of employers use the services of recruitment agencies.¹⁴ Some recruitment agencies in Slovakia or abroad require a fee for recruitment-related services. There have also been cases of agencies withholding travel documents of foreign workers but this malpractice is difficult for employers to control.

There are also companies on the labour market which find and recruit foreign workers through a recruitment agency and then **claim** the fees related to recruitment, transport to Slovakia and obtaining a residence permit they have paid to the agency **from foreign workers through wage deductions**. This

¹² E.g., in EU Member States with less stringent conditions for employing foreigners. They then send workers from those Member States to Slovakia, causing an increase in undeclared work.

¹³ During controlled, semi-structured qualitative interviews.

¹⁴ Goliáš, P.: Potrebujeme slovenský pracovný trh viac imigrantov [Does the Slovak labour market need more immigrants]. INEKO, 2018. Available at: <https://www.ineko.sk/clanky/seminar-potrebuje-slovensky-pracovny-trh-viac-imigrantov> (Cited on 15.5.2020).

is in stark conflict with international and national principles and rules of ethical recruitment and employment.

4. Pre-entry phase: Foreign service offices and their powers

Before foreigners who want to work in Slovakia arrive in the country, they usually do some preparations in a country of their origin. They do so as a rule, when entry to Slovakia is subject to obtaining a permit to enter the Schengen area, and a work permit. It mainly involves obtaining the necessary information about the conditions for entry and stay in Slovakia, obtaining and verifying the documents issued in the country of origin, procuring an entry visa and filing an application for temporary residence in Slovakia. All these activities are coordinated with a Slovak foreign service office (FSO) competent for the country of their origin and/or of their residence. The need for and the scope of communication with the FSO mainly depends on the applicant's nationality which determines whether they need a visa to enter Slovakia.

Foreigners coming from the countries whose citizens are required to have a visa to enter the Schengen area are only allowed to file an application for temporary residence for the purpose of work with a FSO accredited for that country or for the country of their residence. Another option is to apply for a national visa for the purpose of filing an application for residence. **In both cases, foreigners must already have an employment contract and/or a pledge of employment from a specific employer and all documents that must be attached to the application for residence.** Citizens of visa -subjected countries who have not been granted residence in another Member State must start the residence permit application procedure only with a Slovak FSO. **The FSO may only grant a Schengen or national visa with prior consent by the Ministry of the Interior of the Slovak Republic** (Interior Ministry).

The FSOs, by virtue of their roles and competence, have a crucial position in the process of labour migration. Their network, however, is not large¹⁵, which **makes access to Slovak consular services quite difficult in certain regions of the world.** The long waiting periods at some FSOs and their lack of personnel are also a problem. The situation is complicated for foreigners who need a visa already for the entry to the country in which a Slovak FSO accredited for their home country is located. **A large part of FSOs' consular agenda consists of paperwork related to the receipt of applications due to foreigners' insufficient engagement in the application procedure.** This means that all the documents and their attachments that foreigners present must be processed (filled in, scanned) at the FSO. This procedure is accompanied by a number of technical and practical complications, too; e.g., FSOs only collect biometric data for the purpose of granting visas. **If a foreigner applies for residence, they must again provide their biometrics at a competent APD after arrival in Slovakia.** A system in which foreigners themselves would complete and upload the necessary documents could be a solution to this lengthy process. Another complication is that **the application for temporary residence must contain the necessary documents officially translated to the Slovak language already upon its submission at the FSO** (English translation is not enough).

In order to improve access to its visa application services, the Ministry of Foreign and European Affairs of the Slovak Republic (Foreign Affairs Ministry) uses several visa application centres of external

¹⁵ Slovakia had 43 foreign service offices in non-EU countries at 31 December 2020. Source: Foreign Affairs Ministry.

service providers (38 visa application centres in 10 countries at November 2020)¹⁶ which receive visa applications and forward them to a competent Slovak FSO.

A Schengen visa granted by a FSO of another Member State may be used by foreigners, for example, for taking part in job interviews or getting to know Slovakia. If they arrive **in Slovakia with a Schengen visa, they cannot apply for residence for the purpose of work from the territory of Slovakia** but they have to return to their country of origin. Foreigners arriving for work thus struggle with the poor accessibility of Slovak FSOs in order to apply for temporary residence or national visas.

Only a limited group of foreigners is allowed to apply for temporary residence for the purpose of work from within the Slovak territory under the Act on the Stay of Aliens.

A majority of foreigners from visa countries must therefore always send their applications for national visas or for temporary residence to an accredited Slovak FSO. The visa application centres and FSOs of other countries with whom Slovakia has concluded consular representation agreements do not accept applications for residence and for national visas. **Under the applicable legislation, no group of foreigners is allowed to apply for a Schengen visa, national visa or temporary residence for the purpose of seeking work (without prior submission of a job offer).**

The FSO saw a considerable increase in the number of applications for temporary residence permit between 2015 and 2018 (2015: 1,691 applications; 2016: 3,100 applications; 2017: 4,560 applications; the first seven months of 2018: 3,174 applications)¹⁷. Processing this type of applications is one of the most time-consuming tasks on the consular agendas. One of the reasons is also the applicable legislation which allows applying for residence from within the territory of Slovakia to certain groups of foreigners only.

Even though an electronic booking system is in place, the FSOs have no obligation to use it and so they are free to decide whether they will arrange appointments with applicants through the system or by other means. In practice, they often avoid using the electronic booking system.

FSOs' websites should be the main source of information available in a given country. **The volume and type of information offered on the websites of individual FSOs seem insufficient.** The information in the English language is largely related to Schengen visa applications and is not exhaustive. Similarly, access to information about the status of residence application procedure through the FSOs is extremely limited. FSOs' websites provide no information and materials to promote job opportunities in Slovakia and to attract skilled foreign workforce.

FSOs' agenda does not include so-called pre-arrival training for foreigners and, according to the information from qualitative interviews, they do not plan providing this type of services, either. Foreigners are thus forced to seek the necessary information about access to the Slovak labour market on the websites of the Foreign Affairs Ministry, the Ministry of Labour, Social Affairs and Family of the Slovak Republic (Labour Ministry) or other organisations that provide free or paid services in this area.

5. Recognition of education and professional qualifications

Recognition of education and professional qualification is an important aspect of all procedures related to the admission of foreign workers to job positions for which the law requires that the level,

¹⁶ Source: Foreign Affairs Ministry.

¹⁷ Ibidem.

or the content and scope, of the attained education and qualification must be demonstrated. Slovakia does not have its own tools and mechanisms to attract high-skilled foreign workers and those that do exist (such as the EU Blue Card) are not attractive enough for the foreigners to use. One of the conditions for obtaining the EU Blue Card is recognition of a proof of education which is required both for regulated and non-regulated professions. If we wish that foreigners in regulated professions use the EU Blue Card, as well as the traditional single permit, it is essential to put in place an effective, fast and, above all, comprehensible qualification recognition process.

The need for recognition of a proof of education or professional qualification usually depends on a **type of profession** a foreigner will practice in Slovakia. **Non-regulated** professions may be performed by foreigners without having their qualification formally recognised, i.e., they do not need to prove their education to Slovakia authorities to obtain a residence and work permit. Most foreign workers do not need to undergo the qualification recognition procedure. It is, however, required from foreigners who are employed in high-skilled positions, many of which are **regulated professions**, and attracting them to Slovakia has been defined as a primary goal both in the Strategy for Labour Mobility¹⁸ and the Recovery and Resilience Plan¹⁹.

The number of foreigners in high-skilled position in Slovakia is very low; of the total number of foreigners employed on the basis of a work permit, only 11% practiced any of the professions included in SK-ISCO 1-3 categories in December 2019.²⁰ They cannot replace experts who are leaving Slovakia. In addition to medical doctors, Slovakia sees the largest human capital flight (or “brain drain”) among technical school graduates.²¹ Among the five university faculties with the largest share of graduates leaving Slovakia are three medical ones. The rest of the list is dominated by technical/technological faculties.²²

One of the boldest problems are non-uniform requirements for certification of documents issued abroad which are not specified on a website. For regulated professions, a higher level of certification (apostille or super-legalisation) is required for documents issued by non-EU countries and is not required, but recommended for non-regulated professions. Documents issued by an EU Member State do not require a higher level of certification (regardless of applicant’s nationality).

The information on the education and professional qualification recognition procedure and requirements is available at the official website of the Ministry of Education, Science, Research and Sports of the Slovak Republic (Education Ministry) both in the Slovak and English language. The website offers a few links through which foreigners can learn about how the documents are recognised, about applicable statutory time limits, and which documents are required. Given the overall complexity of this issue, the way the information is currently provided seems insufficient and very hard to understand even for someone with perfect command of Slovak. The Centre for Recognition of Diplomas (CRD) can be contacted by phone during consultation hours to provide advice

¹⁸ Stratégia pracovnej mobility cudzincov v SR do roku 2020, s výhľadom do roku 2030 [Strategy for Labour Mobility of Foreigners in Slovakia until 2020, with an outlook to 2030]. Labour Ministry. Available at: <https://www.employment.gov.sk/files/slovensky/uvod/informacie-cudzinci/strategia.pdf> (Cited on 20.4.2020).

¹⁹ Plán obnovy. Cestovná mapa k lepšiemu Slovensku. Ministerstvo financií SR. [Recovery Plan. A Roadmap to a Better Slovakia. Ministry of Finance of the Slovak Republic.] https://www.planobnovy.sk/files/dokumenty/kompletny-plan_obnovy.pdf (Cited on 1.6.2021).

²⁰ Employment of foreigners in Slovakia in 2019, Statistics, Central Labour Office. Available at: https://www.upsvr.gov.sk/statistiky/zamestnavanie-cudzincov-statistiky.html?page_id=10803 (Cited on 9.10.2020).

²¹ Odliv mozgov po slovensky [Brain Drain the Slovak Way], Institute for Financial Policy: Commentary, 2017. Available at: https://www.mfsr.sk/files/archiv/priloha-stranky/20281/98/2017_1_Odliv-mozgov-po-slovensky_20170109.pdf (Cited on 9.10.2020).

²² Hvozdičková, V., Lichner, I.: Kontradikcie vo vývoji zamestnanosti v SR na pozadí demografických a štruktúrnych zmien [Contradictions in the development of employment in Slovakia against the backdrop of demographic and structural changes], Ekonomický ústav SAV. Bratislava, 2018.

on diploma and qualification recognition in Slovak and/or English. An email address to which queries in Russian may be sent is also available. Replies are sent in English.²³ The CRD's website contains information in Slovak and English. Both language versions are quite difficult to navigate. Even though a large number of foreign workers arriving in Slovakia speak Russian and efforts are taken to attract medical workers from Russian-speaking countries, the CDR's website contains no information in the Russian language.

The education recognition procedure for a regulated profession consists of recognition of a proof of education (diploma) and professional qualification recognition. The only exemption involves physicians, dentists, pharmacists, medical nurses, midwives, veterinary doctors, and architects, provided they have obtained their education in an EU Member State; their education is recognised automatically in this case. A general qualification recognition system applies to regulated professions not falling under the abovementioned exemption, which may consist of a single procedure – education and professional qualification is recognised by the CRD (e.g., in the case of teaching, sports, medical occupations) – or of two successive procedures which involve CRD's cooperation with another competent authority (e.g., in the case of economic occupations). The procedure under the general recognition system takes three months from the submission of a complete application by law.

Recognising professional qualification of medical workers obtained in a non-EU country consists of four stages (diploma recognition, complementary examination, professional qualification recognition, language test) and the subsequent recognition of specialisation. It takes two months to recognise a diploma, followed by a complementary examination required for the recognition of professional qualification. For doctors, the testing is performed twice a year only, so the entire qualification recognition procedure may take even more than half a year. Medical workers are also required to pass a language test; these tests are performed regularly (approximately once in two months), depending on the number of applications received. Applicants are informed about test dates by email or phone. Organized by the Health Ministry, **language tests** are taken by the applicants after they have first passed the complementary test, which makes the entire recognition process unnecessarily lengthy. The Health Ministry's website provides no easy-to-find information about training seminars, language courses for medical workers, and dates of language tests. The information in the English language is missing. Statistics on the applicants for qualification recognition show their low numbers, indicating that Slovakia is not an attractive country for health professionals.

Both the applicants and hospital representatives describe the **complementary examination** organised by universities without any common standards as extremely difficult: it is not rare that foreigners have to retake it more than once. The entire process is even more complicated by the fact that no study materials and syllabi are available to help the applicants for the recognition of professional qualification to practice a medical occupation prepare for the exam. Non-transparent tests and complexity of the complementary exam was criticised by Asociácia nemocníc Slovenska (*Slovak Hospitals Association*) already in 2018. The exam syllabi are published at the Education Ministry's website, providing an extensive list of topics and definitions. Exam evaluations are not publicly available.

A high drop-out rate at complementary examinations was discussed at a 2018 meeting of a working group consisting of representatives of medical schools and faculties, the Slovak Hospitals Association, the Health Ministry's medical education department, and the Centre for Recognition of Diplomas.

²³ Information obtained through telephonic consultations services of the Centre for Recognition of Diplomas, [May 2020].

They agreed to develop a system of free-of-charge training courses offered to applicants for complementary examination, to be organised by medical faculties with the support from the Health Ministry and offered. The system has yet not been put in place.

The fees for complementary examination for the purpose of professional qualification recognition are set annually by an Education Ministry measure. For the academic year of 2020/2021, general practitioners pay approx. EUR 660, dentists around EUR1,100, and medical nurses approx. EUR 200 as exam fees. For the comparison's sake, the complementary exam fee for physicians and dentists is around EUR 250 in the Czech Republic.

The current system also lacks the possibility, especially for physicians and nurses, to engage in skilled activities under supervision while waiting for the completion of their qualification recognition process. The Slovak Hospitals Association, too, has proposed to include an adaptation period into the qualification recognition process, during which the applicants would work under supervision, in order to provide good and sufficient training to foreign medical workers. In 2020, foreigners with a recognised proof of education whose professional qualification had yet not been recognised were given an opportunity to take part in a **temporary traineeship in hospitals, but this opportunity was only available during the COVID-19 pandemic-related crisis.**

A big loss for Slovakia in this context is also the fact that doctors who do not have their qualification recognised are employed by hospitals as administrative workers²⁴

The lack of doctors and other medical workers prevailing in Slovakia puts a pressure on attracting these professionals from abroad. However, the Slovak labour market is little attractive for foreign medical workers, and the time- and money-consuming recognition processes do not make it any more attractive either. It is therefore desirable to pay special and increased attention to resolving the problems and difficulties in qualification recognition for medical workers whom Slovakia acutely lacks. Slovakia is predicted to need very high numbers of doctors and other medical personnel in the coming years, therefore it must concentrate not only **improving and simplifying its qualification recognition system** but **primarily on attracting new applicants**, with these two issues being deeply intertwined.

The lack of medical workers is an EU-wide problem, driven mainly by the demographic structure of EU's population. Member States are introducing programmes to attract foreign workers, namely in the form of various bilateral cooperation projects or stabilisation loans. Slovakia has no action plan prepared focusing on this area and the incentives it offers to foreign medical workers are insufficient to enhance the Slovak labour market's attractiveness in the eye of these professionals. Even where the state or higher territorial units offer some sort of incentives to foreign medical workers, they are often poorly promoted.

6. Obtaining residence permit and work permit

The present chapter identifies the main problems and obstacles to employing foreign workers by means of those instruments which bring the **largest groups of foreign workers** to the Slovak labour market, which are driven by administrative aspects of residence and work permit procedures and engagement of individual actors in employing foreigners from non-EU countries.

The current system is complicated and difficult to navigate. Slovakia does not provide sufficient incentives to attract and retain **high-skilled workers.**

²⁴ Source: Qualitative interviews with employers (June-September 2020).

Compared to other OECD countries, Slovakia has one of the lowest rates of foreign students studying at its schools and universities. Just as there are no sufficient statistics on graduates and labour market needs, Slovakia neither collects any information on further labour market performance and career of third-country university graduates²⁵. Many EU Member States have adopted and run their own national systems to attract, recruit and admit high-skilled workforce in parallel with the EU Blue Card mechanism. The leader in this context is the Netherlands whose national instruments, according to the available statistics, are capable of attracting two thirds of high-skilled workers arriving in the EU.²⁶

High-skilled foreign workers who might be interested in obtaining the EU Blue Card in Slovakia encounter numerous complications. **The salary threshold for the EU Blue Card and the requirement to submit a proof of education even for non-regulated professions in Slovakia discourages foreigners from applying for the card** for which they could be entitled by their education. The Central Office of Labour, Social Affairs and Family (Central Labour Office) **carries out a labour market test for all occupations when assessing EU Blue Card applications; and shortage occupations are not granted any exemption from the test.** The EU Blue Card application procedure (for a visa foreigner) at an APD and/or Slovak FSO is identical with the regular single permit application procedure. However, the EU Blue Card should be a more attractive mechanism than the single permit.

Complications are associated with **seasonal work**, too. Although the Labour Ministry has not observed an increased demand for seasonal workers during a single particular season, the Slovak Agriculture and Food Chamber (*Slovenská poľnohospodárska a potravinárska komora*) warns about a higher labour demand in the agriculture industry especially during spring/summer harvest seasons. The Association of Employers' Unions (*Asociácia zamestnávateľských zväzov*) have also observed an increased labour demand among its members in various sectors for better part of the year (spring, summer and autumn).

No information on third-country seasonal workers' profile in Slovakia has so far been collected in a targeted manner, but the data on the highest attained level of education should start to be processed after 2020 under point 24 of the Strategy for Labour Mobility of Foreigners.

The administrative requirement to submit a proof of health insurance when applying for a seasonal work permit is an unnecessary complication because once their employment contract is established, these foreigners are part of the public health insurance system. However, the applicable legislation requires that they submit a proof of health insurance for the entire duration of their stay²⁷ in advance.

When assessing the labour mobility system, it is necessary to focus on the **administrative burden** placed on all stakeholders, review whether all requirements are really essential, and eliminate all mandatory steps and documents that are not absolutely necessary. Inspiration may be sought in the systems of other Member States which require less mandatory attachments to complete applications (see below), yet they are able to safely assess applicants.

Administrative obligations in the case of an application for residence and the submission of required documents to the application are associated with complications which both the foreigners and

²⁵ For example, UK graduates are tracked for three and a half years after graduation. In: Machlica, G. et al. (2017), "Enhancing advanced skills to better meet labour market demand in the Slovak Republic", OECD Economics Department Working Papers, No. 1416, OECD Publishing, Paris. <http://dx.doi.org/10.1787/72c55c64-en> (cited on 15.5.2021).

²⁶ Source: EMN - JRC - DG HOME ROUNDTABLE, EU labour migration policy: time to move from a skill-based to a sector-based framework? (Webinar of 5.11.2020).

²⁷ Under §22(9) of the Employment Services Act, the seasonal work permit may be granted for not more than 90 days over twelve successive months.

employers could avoid if the specific cases when a competent authority may waive or put off their submission to a later time were specifically defined. An example of such complications is filing an application to renew temporary residence which must be without exceptions supplemented by a proof of clean criminal record from the country of origin (even if the foreigner did have temporary residence but the residence has been revoked, or his previous application has been rejected, due to, for example, errors in a notified job vacancy). Even though the foreigner has not left Slovakia, or the proof of clean criminal record was attached to his previous application, they must submit this proof anew. **The obligation for a foreigner to repeatedly request a proof of clean criminal record from their country of origin is considered bureaucratically demanding, redundant, procedure-protracting, and costly.** EU Member States without exception require from residence and/or visa applicants to submit their biometrics to identify the applicant. Germany, Ireland, Finland, and Denmark, for example, do not ask the applicants to submit the proof of clean criminal record from the country of their origin.

The obligation to submit a proof of accommodation already when filing an application from abroad is another complication to foreign workers' arrival in Slovakia. Requiring this proof at the initial stage of the application procedure when the foreigner has not even arrived in Slovakia yet creates room for various malpractices by accommodation providers.

After the residence is granted, the foreigner has an obligation to send within 30 days of receipt of the residence permit a confirmation to the APD that they do not suffer from any disease that poses risk to public health. **The obligation to provide proof of health several weeks or months after the foreigner already lives and works in Slovakia should be revised.** It would be much better in this context if foreigners underwent a medical examination prior to their arrival to the Schengen area. It is, therefore, necessary to establish effective cooperation between the Foreign Affairs Ministry and the Border and Aliens Police Office (BAPO) in order to set up a system to check foreigners' health at the initial stage of the residence application procedure.

Statutory time limits for completion of the temporary residence and work permit application procedure are set between 30 and 90 days. They are the time limits for an APD to decide about the application, to which the time for notifying a job vacancy or recognizing a proof of education, if required, needs be added. If the foreigner comes from a visa country, the duration of visa application procedure needs also be considered. **It means that the whole procedure – from the moment when the employer finds a suitable foreign worker until the moment when the foreigner actually starts working for that employer – may even take four to five months.** There is very small percentage of foreigners who are permitted to work in Slovakia as soon as they have filed the application. This possibility is only open to those who come to work in shortage occupations. Others have to wait even several weeks without any possibility to engage in an employment process or training. **A solution to this situation could be if the foreigners who have passed some form of initial security screening (e.g., their biometrics have been collected) were allowed to start training and working** if they are already present in the territory of the country of destination. This is how the labour mobility systems in Denmark and France work, mostly with respect to high-skilled foreign workers and foreigners whose wage meets the set salary threshold.

Shortened time limits may also be a way to attract foreign workers to Slovakia and to assure employers that the state wants to create conditions for a smooth arrival of foreign workers when there is a shortage of workforce. All the more so, if taking a decision on the granting of residence

within several weeks is feasible. An APD, supplied with a complete application along with a labour office opinion, is able to decide about the granting of a residence permit in some 3-4 weeks.²⁸

As far as the time limits are concerned, it should be noted that the law requires that a job vacancy notification is made even for **temporary residence renewal** when a foreigner continues working for the original employer, and the renewal procedure **takes the same amount of time as the (initial) residence application procedure**. No uniform rules have been set for assessing whether there are enough applicants for a job vacancy; this creates a lot of room for a non-transparent and non-uniform practice of various labour offices. Moreover, the law does not make it clear how many jobs, and their extent, a labour office may approve for a foreign worker. In a similar vein, other processes, too, are often not standardised enough, which has also been confirmed by the fact that a majority of employers engaged in the survey said that good contacts at, and frequent communication with labour offices about the problems they encounter when employing foreign workers are important²⁹.

The process of employing a foreign worker is also protracted if the employer makes a mistake in the job vacancy notification and must submit it anew, resulting in several weeks of delay. A single notification by the employer may contain several job vacancies but they all must be for the same job position. A separate notification must be made for each position. **The minimum time limit for the granting of a single permit is as much as 110 days unless the foreigner falls under one of the exemptions.**

Submitting job vacancy notifications and conducting a labour market survey while maintaining the minimum notification period (20 working days), which is performed **even in the case of a residence renewal procedure**, cause unnecessary complications. A foreigner applying for a residence permit renewal must file a new application for residence if their previous application has been rejected for the non-compliance with the time limit for submitting a job vacancy notification (the employer has failed to meet this obligation on time).

Equally important is for **foreigners who are already present in Slovakia to have the opportunity to work continuously**, thus restricting illegal work. This also involves the possibility to work in the case of legitimate residence, especially when a foreigner is waiting for the conclusion of administrative proceedings on the renewal of their temporary residence. The renewal of residence is also complicated by the fact that employment is terminated on the date of termination of the foreigner's residence, even though the renewal procedure is still pending, and the foreigner plans to continue working for their employer. **It is the impossibility to carry on working while the temporary residence permit renewal procedure is pending that many employers consider a major problem** which should be resolved by legislative arrangements.

Another positive shift towards attracting, retaining and enhancing economic benefits of foreign workforce **would be to permit family members of foreigner employees to work in Slovakia without having to apply for a work permit once they have been granted a residence permit**. Preventing family members of foreign employees from entering the labour market during the first year of their stay in Slovakia is unreasonable, brings no economic benefits and constitutes an obstacle to attracting in-demand workforce. The current situation may be discouraging to potential employers of family

²⁸ Source: Qualitative interview – Border and Aliens Police Office. 9.7.2020.

²⁹ Source: Employers' responses from qualitative interviews conducted in June-September 2020.

members who do not want to undergo the process of obtaining a work permit, just as it discourages foreign workers' family members from engaging in an economic activity in the form of employment.

Due to insufficiently linked information systems, labour offices must re-enter the information which an ADP has already entered into its system. Labour offices, which only have five working days to assess the situation on the labour market, often have to ask the employer or the ADP to supply the missing information in this short period of time.³⁰

7. Existing instruments facilitating entry and stay

Slovakia has long been concentrating on domestic workforce and the return of Slovak expatriates working abroad to address the workforce shortage on its labour market. It is one of the key reasons why it has no labour mobility programme in place which would comprehensively govern the conditions for entry, stay and employment of foreigners from non-EU countries beyond the standard framework of temporary residence application procedures.

Even though the applicable legislation provides conditions to facilitate admission of certain groups of foreign workers, it is not a comprehensive arrangement but rather a system of exemptions from general decision-making practices for certain economic sectors or specific groups of employees and employers.

These exemptions are adopted on an ad hoc basis with the aim of covering the needs of a particular group as much as possible, often disregarding previous arrangements introduced for another group. **There is no comprehensive uniform procedure in place which would govern accelerated proceedings for individual groups of foreign workers, employers, and professions, but, quite the opposite, there is a multitude of mutually differing, separate procedures.** The overall system is therefore complicated and confusing to make it significantly easier for employers to employ foreign workers, and to respond to the needs of the Slovak labour market.

The introduction of an accelerated single permit procedure for workers in shortage occupations did not bring the desired effect of speeding up the inflow of foreign workforce to the Slovak labour market. The process of creating the list of occupations with a shortage of workforce is not transparent and the administrative complexity of the temporary residence application process causes delays. Speeding up decision-making on temporary residence for the purpose of work in the case of professions included on the list of occupations with a shortage of workforce is often formal only and depends on how quickly a competent labour office grants its consent to fill in a job vacancy.³¹

The creation of the list of occupations with a shortage of workforce is not regulated by law and no methodology of its creation has been published, which raises doubts among some employers as to the transparency of this process.³²

The **time limit for employee's onboarding training** pursuant to §23a(1)(u) of the Employment Services Act is another problem: the time limit was set artificially, based on the time needed to issue a decision in an ideal case. In practice, however, the offices often fail to decide within the statutory time limits, even without the fault of a party to the proceedings, which results in the employer's obligation to terminate the work contract (for a very short time in most cases) with the foreigner concerned. Such

³⁰ Source: Qualitative interview, Central Labour Office's reply of 10.5.2020.

³¹ Source: Qualitative interviews with employers (June-September 2020).

³² Ibidem.

temporary termination of the work contract places an additional administrative and financial burden on the employer (deregistering the employee from health and social insurance, meeting the reporting obligation towards a labour office, etc.).

The possibility to work prior to receiving a temporary residence permit is conditional upon the foreigner, or an accommodation facility meeting a reporting obligation under §111(2)(a) of the Act on the Stay of Aliens. However, it is extremely difficult for the employer to actually check if the foreigner has met this condition. Even without its own fault, the employer may thus be found by the National Labour Inspectorate in breach of the prohibition on illegal employment of foreigners.

The system is relatively complicated even for civil servants in charge of granting residence permits who are supposed to decide faster in the case of special groups of employers, while the databases they need in their decision-making are updated semi-annually. The Ministry of Economy of the Slovak Republic (Economy Ministry) is required to send to the Interior Ministry changes in technology centres and business services centres every six months. However, APDs have an obligation to make decisions based on the data valid at the time when a decision is issued, which requires them to constantly check the databases published on the Economy Ministry website.

There is no legal definition of the term “significant foreign investor” (*významný zahraničný investor*) or ambiguity in the case of preferential employment of a citizen of an OECD member country, where it remains unclear why the preferential treatment applies to a foreign investor only and does not apply to domestic entrepreneurs too.

8. Residence

The chapter presents the main findings concerning health insurance and social insurance of foreign workers and their family members, as well as the possibility for family reunification and employment of family members. At the same time, the chapter describes problematic issues linked with a change of employer, termination of foreigner’s employment or change in the purpose of residence.

As regards health insurance of foreign nationals in Slovakia, a system of public health insurance and a system of individual health insurance exist side by side. **In general, all foreign workers from non-EU countries are covered by the mandatory public health insurance system** from the day of establishment of a labour-law relationship under a work contract or any of the agreements on the performance of work outside the employment contract except where the agreed wage is below the minimum wage level. On the other hand, their spouses have to rely on the individual health insurance system. Children of foreign nationals are always covered by the mandatory public health insurance, provided that at least one of their parents has health insurance.

The scope of health care services provided to foreigners under the public health insurance system does not differ from that of the health care provided to Slovak nationals.

Participation in the social insurance system does not depend on nationality. If the law excludes some categories of persons from the participation in the social insurance system or in some of its schemes, such exclusions apply generally, irrespective of whether the person concerned is a Slovak national or foreigner.

A disadvantage for many foreigners working in Slovakia is the fact that Slovakia has no social security treaties concluded with a number of countries whose citizens rank highest in terms of the number of granted permits for residence in Slovakia, namely with Vietnam, China, Iran and India.

Entry to the **social insurance** system is mandatory for employees from non-EU countries. **However, given the mandatory length of affiliation period, many of them will never become entitled to old-age pension or disability benefits**, which makes them net payers to the social insurance system. Foreigners who do not intend to work in Slovakia over the long term have no option to opt out from the old-age pension insurance system or, alternatively, to participate in the system on a voluntary basis only. In addition, the Slovak legislation does not permit foreigners who do not meet the required affiliation period to request the payment of the funds saved when they end their residence in Slovakia.

Foreigners granted a residence permit in Slovakia, except for those with long-term residence, **cannot register as unemployed and, therefore, cannot receive unemployment benefits** even if they meet the affiliation period requirement.

Family allowances are provided to foreigners from non-EU countries under the same conditions as to Slovak nationals.

Social assistance, including assistance in material need, is basically not available to non-EU nationals. The fact that applying for a minimum subsistence allowance may result in the revocation of foreign worker's residence permit is not explicitly mentioned in the legislation (except with respect to the EU Blue Card), and foreigners are not advised about it. On the contrary, the Act on Assistance in Material Need states that the minimum subsistence allowance is intended for foreigners as well.

An **administrative obstacle identified with respect to health insurance and social security** of foreign workers is that employers cannot use the Social Insurance Agency's electronic system if an employee has no personal number (*rodné číslo*) assigned. Repeated registration of a foreign worker with a health insurance company and the Social Insurance Agency in cases when the foreigner is entitled to be employed without having been granted temporary residence results in multiple registrations of foreign nationals in electronic systems and causes problems with their identification for the purposes of payment of benefits/allowances or reimbursement of costs for medical services provided.

Slovakia allows **family reunification** with quite a large group of family members, **not conditioned by the fulfilment of any special conditions** (length of sponsor's stay in Slovakia, existence of a family in the country of origin, command of official language, etc.). Exemptions include family reunification with a non-married or registered partner, or a same-sex partner.

However, there are several situations when administrative procedures concerning family members remain unclear. The law does not address cases when a foreigner fails to meet the obligation to apply for residence on behalf of a newborn within 90 days of his/her birth and does not arrange for the newborn's departure from the territory of Slovakia, either. In addition, newborn children are required to be present at an APD for the purposes of residence permit application procedure. The APDs do not apply uniform procedures when requesting a proof that the newborn child does not suffer from a disease posing risk to public health. The time limits for granting temporary residence for the purpose of family reunification and the time limit for granting residence to the sponsor are not aligned.

For family members of foreign workers, the possibility to become employed is not guaranteed under the same conditions, but depends on the residence status of the sponsor. In a typical case of an employee with a single permit, his/her family member is allowed access to the labour market one year after the granting of temporary residence or is required to apply for a work permit. Therefore, in practice, family members who want to start working immediately rather tend to apply for temporary residence permits for the purposes of employment which paradoxically involves, in many cases, a

faster procedure. Restricting the employment of a family member during the first year after the granting of temporary residence can have a discouraging effect on foreigners who may decide to stay in a different country of destination where their family members would be able to join the labour market earlier. **Other types of the sponsor's residence, such as the EU Blue Card or temporary residence for the purposes of research and development, allow the family members to become employed immediately.**

All groups of workers are entitled to **apply for the renewal of temporary residence from within the territory of the Slovak Republic**, whereby foreigners have the right to stay in the territory of the Slovak Republic until a valid decision on the renewal of their residence permit is delivered. However, after the expiry of the original residence permit, the work permit is no longer valid. Foreigners are not sufficiently informed (nor are employers) that, even though they are entitled, after having submitted an application for the renewal of residence, to stay in the Slovak Republic while the decision on their application is pending, their employment contract is terminated upon the expiry of their residence permit.

The Slovak legislation allows all categories of workers (see Chapter 2 for more details) to **change their employer**, but the proceedings concerning the change of employer vary greatly in flexibility and duration, depending on the type of the granted residence/work permit. While the process concerning the change of employer is, in the case of foreigners with a single permit and those required to have a work permit or a seasonal worker permit, relatively complex and depends on the approval by a competent labour office, for other reported categories of employees the change is less formal, requiring the employer to comply with the reporting obligation only. This category involves foreigners not required to have a work permit or a single permit, e. g. foreigners with permanent residence, family members of an EU citizen, Slovaks living abroad, graduates from Slovak schools, etc. In such cases, the employer's reporting obligation is the only condition and there is nothing which would prevent foreigners from terminating their employment contract at any time in accordance with the Labour Code and from becoming employed by another entity.

Even though the change of employer is possible, the **existing legislation** (the Act on the Stay of Aliens and the Employment Services Act) **does not contain clear instructions**, in particular as regards the most common method of employing foreigners, that is, single permit, **on how to proceed when they want to change their employer**. The key is to have clear legislation in place as to when and under what conditions foreigners can apply for a change of employer and in what deadlines the authorities are supposed to deliver their opinion. At the same time, duplicate compliance and, in some cases, non-compliance with the reporting obligation concerning the change of employer or inconsistencies in reported data are worthy of particular attention.

The labour code contains special provisions concerning the **termination of employment in the case of foreigners**; however, these provisions do not reflect the changes in the Act on the Stay of Aliens and the Employment Services Act. *Ex lege* termination of foreigner's employment does not cover situations where the foreigner's residence/work permit has been revoked for reasons on the part of employer.

Changing the purpose of the residence permit is allowed to foreigners in Slovakia in a very broad scope. However, the administrative burden of the change process differs very little from the decision-making process concerning the foreigners' first application. It cannot be submitted by electronic

means, not even on foreigner's behalf because his/her personal presence at the Aliens Police Department is required, and the amount of the administrative fee is the same as with the first application. Only some of the documents submitted by foreigners with their first application do not have to be resubmitted again. Changing the purpose of the residence permit therefore does not provide any essential advantage for a foreigner. The legislation also does not make it clear why it is not possible to change the purpose of temporary residence from research and development to the EU Blue Card. This could possibly be attributed to a defective transposition of the relevant directive.

9. Termination of residence and return

Residence in the territory of the Slovak Republic is granted to foreigners for a fixed period, depending on the purpose of residence. The length of the temporary residence granted to foreign workers is primarily based on the period of employment, i. e., 2 to 5 years at the maximum. Upon the expiry of this period, the temporary residence permit is no longer valid, unless the foreigner decides to submit, no later than on the last date of its validity, an application for the renewal of the residence permit or a request for the change of the purpose of the residence permit.

During the validity of the residence permit, the residence permit may be **revoked or lapsed**. The manner in which the residence permit is terminated can be broken down into whether it was based on the expression of the foreigner's will or whether it was initiated by an administrative authority due to the foreigner's failure to meet the statutory obligations.

In addition to the worker's voluntary decision to end his/her stay and other generally applicable grounds for revoking the temporary residence permit by the Aliens Police, the validity of residence permit of foreign employees essentially depends also on the loss of employment or on a dissenting opinion issued by the labour office as regards the possibility to fill in a job vacancy.

In the case of the change of employer, job position, place of work or in renewing the temporary residence permit, a **dissenting opinion issued** by a labour office with respect to the possibility to fill in a job vacancy has an equally significant effect on the duration and validity of foreign worker's temporary residence permit. The use of remedies seeking the revision of such opinion is not clearly regulated in the Slovak legislation. According to the COLSAF, the applicable laws do not make it possible that the confirmation concerning the possibility to fill in a job vacancy be cancelled by an appellate body or that the original confirmation concerning the possibility to fill in a job vacancy be revised and replaced with a new one by the labour office upon a new request from the Aliens Police Department. A new opinion on the possibility to fill in a job vacancy can only be obtained through new proceedings.

The legislation does not make it clear whether the labour office's dissenting opinion on the possibility to fill in a job vacancy could be changed during the appeal procedure.

If, during the validity of the temporary residence for the purpose of work, a foreigner terminates his/her employment contract while it is not decisive whether the reasons are on the part of employee or employer, the employee is required to demonstrate, within 60 days of the termination of employment, the existence of reasons for his/her residence in Slovakia. The foreigner can do so by delivering a new employment contract to the competent Aliens Police Department which will assess the contract in the same manner as during the process regarding the change of employer. Failing to comply with the deadline, the foreigner's purpose of residence in Slovakia is deemed no longer to

exist and the Aliens Police Department will commence the proceedings concerning the revocation of his/her temporary residence.

Residence can be **terminated** simply by delivering a notification of residence termination. For the purposes of such notification, there is no single form established and no officially authenticated signature is required from the notifying person. In practice, notifications are often sent by employers and agencies on behalf of the foreigner in cases where the foreigner had left the job.

Following the termination of residence, the foreigner is required to leave the territory of the Slovak Republic and of the entire Schengen area. If he/she fails to do so voluntarily within the time limit for departure, such person will be deported from the territory of the Slovak Republic. Rather than resorting to the forced return, the Migration Policy with an Outlook to 2020, as the basic document, prefers the option of arranging assisted voluntary return of foreigners to their countries of origin. Slovakia does not currently have any return policies in place to specifically focus on foreign workforce, and the voluntary return of such people from foreign airports based on the decision on deportation in the Slovak language is complicated. Foreigners are not issued any document demonstrating that they are travelling within the time limit for departure. They also do not possess any authorisation for residence, which means that they may experience practical problems with boarding the plane or with being fined.



PART II: Identifying the needs of the Slovak labour market

(Prepared on the basis of a research report by Miroslav Štefánik)

Experience with the Slovak labour market for the previous 30 years has been influenced by a long-lasting growth in labour supply. In the long-term, the inflow of young workers to the labour market has been higher than the outflow attributable to retirement. One of the reasons why Slovakia had the highest unemployment levels in the EU was that the labour supply surpassed demand³³.

However, the year 2015 saw a reversal of this trend, with fewer workers entering the market than leaving it. The labour market indicators have gradually responded to this situation. For instance, the unemployment rate in Slovakia has remained below the EU-15 average since 2017. Slovakia has used up its “demographic dividend”, i.e., the period when the economy could grow extensively, only through the increasing number of workers. The Slovak labour market had changed dramatically and demographic projections indicated that we need to get used to this situation, or even expect a further worsening of the problems associated a shortage of workforce. Despite the temporary increase in unemployment due to a drop in economic activity during the COVID-19 pandemic, it is necessary to expect in the long term that unemployment will no longer be the most acute problem of the Slovak labour market. Labour migration is one of the most effective solutions that are frequently used in practice to address a mismatch between labour supply and demand.

Even in terms of managing foreign workforce mobility, it is necessary to plan ahead, rely on the most recent labour market analyses and contemplate about the labour mobility policy in a comprehensive manner. For instance, it is not advisable to focus solely on occupation for which the foreign worker is recruited, but also on other characteristics such as age or expected length of stay. The age structure of newcomers is favourable. It is in particular foreigners aged around 30 who come to Slovakia. However, a dominant part of them leave the country within two years and more than a half of the remaining foreigners will leave between the fourth and fifth year since their arrival in Slovakia.

In response to the growing demand for labour, the COLSAF has introduced accelerated granting of work permits³⁴ to workers from non-EU/EEA countries arriving to work in shortage occupations, which are published on a quarterly basis in the **List of occupations with a shortage of workforce** (hereinafter as the “List”). The publication of the List was accompanied by a dramatic overall increase in the number of foreign workers, which was reported in particular for occupations included in the List. The effect of this public policy tool on the labour market is therefore confirmed. At the same time, however, occupations with the highest dynamism in overall employment did not see the most significant increases in the number of foreign workers, which indicates that the service involving

³³ The supply-demand relationships were also influenced by other than demographic factors; for instance, the processes related to the transformation of the economy have significantly limited the demand for labour even after 2000.

³⁴ In the case of workers from non EU/EEA countries arriving to work in these occupations, work permits are granted faster in comparison with the standard procedure.

accelerated granting of work permits, as offered by the List, is currently not distributed evenly among all segments of the labour market.

One of the upsides of the current List is that it is part of the employment services system. The List and the entire decision-making mechanism for the granting of a work permit is integrated, by means of the decision on granting a work permit, into the COLSAF's mediation services provided under the employment services system. The List has accelerated the model of employing foreign workers in selected occupations, enabled the planning of recruitment of workers from non-EU/EEA countries and partially made the process of granting work permits more transparent. With the introduction of the List, the communication channels between the COLSAF and involved representatives of employers have been established, while the reporting of job vacancies by employers directly to the COLSAF became more attractive, because the granting of work permits is now linked to reporting a job vacancy through the COLSAF.

The main downside of the current system of employing foreign workers from non-EU/EEA countries is the poor representativeness³⁵ of the List, as it fails to sufficiently cover the entire spectrum of occupations in Slovakia's labour market. The identification of occupations is not based on information that would be representative for the entire labour market. The segment of more complex occupations requiring more skills is nearly absent and, therefore, is not covered by this service. However, as a result of this distortion, foreign workers are recruited for less qualified jobs (SK-ISCO 8 and 9) in Slovakia's labour market. On the other hand, these occupations are characterised by a lower growth or even a decline in employment. The consequence of the system being set up in this manner is that foreign workers are coming to Slovakia in particular to work in those occupations where employment is growing slower than the average.

By definition, the List provides a service of accelerated granting of work permits to foreign workers from non-EU/EEA countries. However, in its current form it provides a service that is not equally available to all types of employers. While the introduction of the List has significantly accelerated and simplified the process of recruiting foreign workers for employers filling the manufacturing positions, those who are trying to fill positions in information services or administration saw very little improvement.

The list also contributes to accelerating recruitment in occupations which (only narrowly) passed the criterion in the given quarter of the year, but at the same time it is not helpful for occupations where the situation is slightly better, and therefore such occupations were not included in the List, or for newly emerging occupations (e.g. in the green economy sector).

The List is also published with too detailed categories of occupations. The categories of occupations are identified in the greatest detail possible, while the applied classification allows for hierarchical aggregation into groups of occupations. The publication of information in categories that are too detailed may lead to undesirable response from employers, such as reporting a high number of job vacancies in order to affect the List, or modifying the classification of occupation in the reported job vacancy so that it matches an occupation included in the List.

Over the recent period, the existing model of the creation of the List of occupations with a shortage of workforce has been covering the major part of the labour market. This improvement is attributable to an increase in the number of employers reporting job vacancies directly to the COLSAF's information system (ISTP). This also affects the representativeness of data about the number of job vacancies used in the creation of the List. The database of job vacancies administered by the COLSAF

³⁵ Poor representativeness means the ability to capture all of the shortage occupations.

thus better represents the needs of the Slovak labour market. This improvement has also manifested through an increase in the number of professions in more complex occupations falling under the lower SK-ISCO classes. However, this process is lengthy and depends on several circumstances (e. g., employers' interest in reporting of job vacancies directly to the COLSAF).

One of the fast measures to improve the creation of the List, which does not require making significant changes in the existing model, includes the **use of several available labour market indicators³⁶ in identifying occupations with a shortage of workforce**. By adding additional labour market indicators as the basis for creating the List, it will be possible to capture the dynamism of the labour market from several perspectives. Commonly used indicators from the Labour Force Sample Survey, such as the number of employed or unemployed persons and change in their number over time, can be applied as readily available and suitable data. The information about job vacancies advertised by commercial job advertisers seems to be complementary to the data on job vacancies registered by the COLSAF and its inclusion would also increase the **representativeness of the List**.

With identification of demanded occupations being supplemented by data from commercial job search portals, the newly obtained information would improve the coverage of the so-far poorly monitored segment of higher-qualified complex occupations while the representativeness of the List would increase.

By making use of the hierarchical character of the SK-ISCO classification and by aggregating occupations into groups (subgroups), the quality of coding would increase, because with a higher level of detail in the coded information, the proportion of inaccurately coded or non-coded occupations increases.

Providing more effective methods for employing foreign workers from non-EU/EEA countries would allow employers to enjoy a significant advantage in the labour market. **Actively promoting the existence and principles of creation of the List among employers, for instance by means of an information campaign**, would help increase the representativeness of the List. At the same time, this could have further positive impacts on the mediation services provided by the COLSAF.

The communication between the COLSAF and the Aliens Police Department greatly extends the time necessary for the entire work permit process. In fact, when making the decision, the COLSAF takes into account only the attributes of the job vacancy and the employer. This information is available to the COLSAF from the job vacancy notification. **The decision to fill a job vacancy with a worker from a non-EU/EEA country could thus be issued by the COLSAF even before receiving an application containing information about the applicant for residence permit from the Aliens Police Department**. The time limit for decisions could therefore commence as of the date of registration of a job vacancy, thus significantly accelerating the process.

One of the possibilities to either essentially change the existing model or add an entirely new decision-making channel for the granting of work permits to foreign workers from non-EU/EEA countries involves the **synthetic indicator of demand for an occupation**. Indicators (replacement demand, expansion demand, inflow of job vacancies registered by the COLSAF, median vacancy duration, number of unemployed according to labour force sample survey, inflow of job seekers and duration of unemployment) can be combined by a factor analysis into two variants of a synthetic indicator of demand for an occupation on the Slovak labour market. The chosen methodology allows for creating a version of the List with an increased proportion of low-qualified occupations, as well as a version

³⁶ In order to identify occupations, only two indicators are currently used (the number of job vacancies and the number of jobseekers), while both of them are coming from the same source (COLSAF).

that represents the entire qualification spectrum of occupations in a balanced manner. The first version can be used, for instance, in identifying shortage occupations for the needs of the manufacturing and agriculture industries, thus ensuring the continuity of transition from the current List. As regards the granting of residence and work permits, the List could be useful for granting the permits for short-term (circular) migration. The second version identifies the needs of the Slovak labour market over a longer period and can therefore be used in decisions on the granting of longer-term permits.

In creating synthetic indicators, the factor analysis is only an intermediate step towards the construction of the indicator itself. The individual factors and their relative importance are added together into a single score, which can be expressed on a scale of 1 to 100. The scoring system set up in this manner would make it possible to segment the individual applications in more detail. In the decision-making practice, applications would thus not be broken down only into granted and rejected applications, but other intermediate stages could be added as well. For a very high score, the application would be granted with a positive decision through an accelerated procedure (as is the case now with occupations included in the List); for a lower, although above-average score, a more detailed labour market survey would be undertaken with a decision issued in a longer horizon; for below-average scores, the COLSAF would inform the employer, as the applicant, about the possibility to fill in a job vacancy by a job seeker; and for very low scores, the COLSAF would be able to inform about a negative decision concerning the application through an accelerated procedure.



PART III: Integration of foreign workers and their family members

(Author: Simona Mészárosová, prepared also on the basis of a research report by Clarissa Tabosa)

Integration of foreign workers and their family members is a multidimensional and complex process consisting of several elements and, therefore, integration policies need to be set up accordingly. In the preparation of these policies, emphasis must be placed on developing strategies that will help foreign workers to better integrate into society, while at the same time supporting the host society in recognising and reaping the positive benefits brought by foreigners into society. The involvement of the regional and local levels is crucial for a successful integration process. In fact, it is the place of legal residence where foreign workers work but also become part of local communities. Their real integration happens directly at work, in communities, neighbourhoods, restaurants, apartment blocks, accommodation facilities, etc.

If the state wants to set up a integration policy that could be implemented with quality in mind, it is necessary to comply both with legislative criteria (a clearly defined legislative environment reflecting the reality), economic conditions (a stable environment for the labour market and entrepreneurship), social conditions (access to housing, education, training, etc.), cultural aspects (language, education promoting tolerance and respect among the mainstream society, as well as opportunities for foreigners to preserve their language, culture, identity and traditions).³⁷

1. Integration policies and their institutional framework in the Slovak Republic

In Slovakia, migration and integration policies are currently regulated at the state level in several strategic documents³⁸. As the most recent document approved by the government, the Strategy for Labour Mobility of Foreigners in the Slovak Republic provides more details and a realistic description of the effort aimed at managing labour mobility in the Slovak Republic, taking into account the trends and changes in the labour market, demographic specificities, the risks of undeclared work and exploitation, while underlining the need to focus on the local level in terms of integration. However, it does not specify any method for funding the integration measures at local and regional levels, as implied by these strategic documents. It also assumes that the Integration Policy of the Slovak Republic would be updated and local strategies will be prepared.

³⁷ Popper et. al.; Potreby migrantov na Slovensku: Výskum zameraný na integráciu migrantov na labour market a do spoločnosti [Needs of migrants in Slovakia: Research focusing on integration of migrants into the labour market and society], IOM, 2006. Available at: http://www.kvsbk.sav.sk/wp-content/uploads/Potreby_migrantov_na_Slovensku_IOM.pdf (Cited on 1.5.2021)

³⁸ The Migration Policy of the Slovak Republic with an Outlook to 2020 and the Integration Policy of the Slovak Republic from 2014.

In the field of migration and integration of foreigners, Slovakia has been adopting policies and framework documents but there is insufficient funding and political sensitivity for the implementation of these measures at the national and local level.

Local governments are very slowly undertaking their own independent activities, in particular by joining projects oriented at local integration, but do not initiate structural changes in policies at their territories themselves. In most cases, the strategic documents prepared by local governments do not even count on the presence of foreigners in their territories as regards labour mobility, development potential and the positive impact on unfavourable demographic development. In this regard, demographic development is one of the most discussed risks in all conceptual documents of the monitored regions and municipalities, as is the case with qualified workforce flowing away from the regions either to the western parts of Slovakia or abroad. But foreigners are still perceived, for the most part, as tourists and a source of income from tourism, or they are associated with a higher risk in terms of security.

One of the most frequent arguments of the local governments boils down to poor information about the number of foreigners living in their territory, as well as about their needs and problems; this is, in particular, due to a lack of accessible data and incomplete records about foreigners in a given region or municipality.

2. Labour market integration

Effective labour market integration policies³⁹ are one of the key factors in managing labour mobility and a method how the governments can influence the inflow of foreign workers to their countries. They cover a wide array of aspects from the recognition of qualifications, language education, training courses and other training and career counselling through to support for political participation, incentives for employers, or support for family members of foreign workers, etc.

In Slovakia, labour market integration of foreign workers and the necessary integration measures represent a second-rate issue along with their employment and filling the demand for foreign workforce in the labour market. There are currently no integration measures targeted at foreign workers and focused specifically on the labour market in the Slovak Republic. The general integration measures concerning foreigners that are based on the Integration Policy of the Slovak Republic are of rather declaratory nature and are left to the responsibility of employers and local governments. The measures facilitating integration into Slovakia's labour market are not viewed as incentives for the arrival of foreign workers and are not being emphasised as such. The Slovak Republic declares, on the one hand, the need to attract foreign talent (see, for instance, Component 10 of the Recovery and Resilience Plan of the Slovak Republic)⁴⁰ but, on the other hand, no activities focusing on attracting such people are pursued, even though Slovakia is not in many cases the first country of choice for foreign workers when deciding about their destination country⁴¹.

Experts and economists agree that Slovakia needs an effective and transparently managed labour mobility policy. The role of the state is to reduce legislative barriers to employing foreign workers from

³⁹ Labour market integration means the process by which foreign workers from non-EU/EEA countries achieve the same range of labour market participation as the native population by using their skills and realising their economic potential.

⁴⁰ The complete Recovery and Resilience Plan: <https://www.planobnovy.sk/kompletny-plan-obnovy/> (Cited on 1.6.2021)

⁴¹ More than 57% of respondents did not present Slovakia as the priority option when they decided to migrate for work. The main reason why they chose Slovakia is that they consider it to be a safe country and that it is part of the European Union (EU). Among other significant aspects, foreigners said that Slovakia's culture and language was close to them and they preferred the geographical proximity or that they already had their family and friends in Slovakia. The responses indicate that their decision to arrive in Slovakia was, first of all, based on a different motivation and that only then they gained access to the labour market here. In addition, a sizeable group have migrated here without a specific reason, for instance, they took the opportunity and accepted a job offer in Slovakia. Available at: <https://iom.sk/sk/novinky-a-podujatia/1395-prieskum-iom-pracovna-mobilita-zahranicnych-pracovnikov-na-slovensko.html> (Cited on 20.7.2021)

third countries⁴² and lay the groundwork for their integration into the labour market and society. Such conditions include quick and effective provision of any necessary information to foreign workers, authorities and employers, organising language courses or creating suitable conditions for the integration of their children and partners into society.

As shown by a questionnaire survey among foreigners working the Slovak Republic, nearly a half of respondents were looking for job offers through employment portals or in the social media (Facebook, LinkedIn). Foreign workers also rely on the help of their acquaintances and family. To a lesser extent, they have been notified about job offers by an agency (personnel agency, temporary employment agency, etc.).

Successful Integration measures must be financially affordable and reasonably accessible, feasible and inclusive. The good practice examples for integration measures focusing on the labour market in other EU countries include various initiatives of the public and private sector. EU Member States have in many cases adopted a combination of the so-called *mainstream labour market integration measures* and *tailored labour market integration measures*. The mainstream measures provide equal access to generally provided services, for instance, in the field of employment, whereas tailored measures are capable of addressing specific difficulties faced by newcomers, such as the language barrier or lack of knowledge about the host country.⁴³

3. Integration services for family members

Integration of the family members of foreign workers in Slovakia's labour market is considered in the current system as a marginal issue. The services specifically targeted at family members in this area are, with the exception of certain employers, almost non-existent, despite the fact that family reunification and active participation of family members in the labour market is in many cases a stabilising factor for integration. A vital measure concerning the labour market integration of family members, which is not very difficult to implement, is to allow family members of non-EU foreigners to start working immediately after being granted the residence permit for the purpose of family reunification (see Part I. Legal Analysis).

4. Access to integration services, information and counselling

Slovakia currently has no single platform where foreign workers could obtain comprehensive and updated information in foreign languages, the accuracy of which would be guaranteed by state authorities. On arrival, foreigners are not provided comprehensive information, be it at the state or local level (the so-called "welcome packages"). In dealing with everyday problems and administrative matters, they have to rely on employers, colleagues, compatriots living in Slovakia for a long time, local people or on assistance provided by active non-profit organisations or the IOM (through the MIC) offering free-of-charge counselling services to non-EU/EEA foreigners in the form of consultations held in person, by phone or by e-mail (www.mic.iom.sk). The website www.slovensko.sk provides partial information about applying for residence permit, health insurance, physicians, placement of children in schools, but only in the Slovak language.

With the exception of the city of Nitra (COMIN)⁴⁴, regional cities or districts are providing only general counselling services to clients through their municipal/local offices or client centres, but only in the Slovak language. Most of the municipalities' websites are not available in English and, where such

⁴² Responses from Kahanec M., Ďurana R. Šrámková L. and others, Onuferová M., *Potrebuje Slovensko pracovníkov z iných krajín? Zvýši alebo zníži to naše platy? (odpovedá 10 ekonómov)* [Does Slovakia need workers from other countries? Will it increase or decrease our wages? (responses from 10 economists)], the Denník N daily. Available at: <https://e.dennikn.sk/679289/potrebuje-slovensko-pracovnikov-z-inych-krajin-zvysi-alebo-znizi-to-nase-platy-odpoveda-8-ekonomov/>. (Cited on 1.5.2021)

⁴³ Ibidem.

⁴⁴ See also: <https://comin.sk/> (Cited on 1.5.2021)

version is available, they contain only very limited information on the competences of the municipality and the local authority or the Mayor, but not the most recent or necessary practical information. The cities and municipalities are providing information specifically targeted at foreigners only in exceptional cases, by means of a subpage on their web portal in the English language (e.g., Košice and Trnava). Even if a municipality is running a website in the English language, it mostly contains a summary of tourist information about the region.

In some cities (e.g., Banská Bystrica or Trnava), the KapaCITY⁴⁵ project has stirred interest in topics covering integration of foreigners; however, due to limited resources, duration and financing of the project, this type of measures can serve only for the purposes of stimulating an initiative and identifying responsible/contact persons, without being considered a long-term solution. As clearly revealed by qualitative interviews conducted with representatives of cities and municipalities during the survey, the success of projects and any integration measures at the level of local governments frequently depends on people involved in local governments. This was also confirmed by representatives of non-profit organisations active in the field of foreigners' integration who attended the IOM's roundtable. Involvement of active and informed local government employees is vital for the success of projects focusing on the integration of foreigners, but one of the risks in terms of the long-term sustainability of measures and activities under his theme is that when these people leave their position, their know-how and enthusiasm are gone as well. Therefore, in the cities where the number of foreign workers is increasing, it is necessary to systematically set up contact points where employees would have a mandate to act and which would continue their operations even when the relevant employees leave their job in the office.

5. Access to housing

Housing is an inevitable part of the social component in the integration of foreign workers in a host country. As specified in the Integration Policy of the Slovak Republic, housing is one of the basic human needs and represents an inevitable condition for a successful integration of foreigners.⁴⁶ For foreigners, housing is a *“process commencing with the arrival phase or emergency (acute) phase and continues through the phase of temporary housing to the longer-term integration phase”*⁴⁷. The connection between the social system, housing and integration of foreigners is undersized in terms of research and the data in this area is insufficient both at the EU and Slovakia's level.⁴⁸

In addition to encountering a lack of information when trying to find a home, foreigners are frequently facing discriminatory practices on the real estate market, unreasonable increase in real estate prices and impossibility to apply for social and rental housing due to the wording of a majority of general binding regulations of the cities and municipalities⁴⁹. As a criterion for obtaining the residence permit, the state requests that foreigners declare accommodation in Slovakia⁵⁰, but does not provide any

⁴⁵ The project brings together four organisations dealing with the integration of foreigners, the Union of Towns and Cities of Slovakia, and four participating local governments which are seeking to intensify their activities in relation to third country nationals living in their territory. The purpose of the project involves the development of professional capacities of local governments, the transfer of good practices at the local, regional and national level, as well as with foreign countries, and the development of communication skills of the local governments. Source: <https://www.hrl.sk/sk/co-robime/projekty/aktualne-projekty/kapacity-podpora-integracie-cudzincov-na-lokalnej-urovni> (Cited on 1.5.2021)

⁴⁶ Integration Policy of the Slovak Republic, 2014, Available at: <https://www.employment.gov.sk/files/slovensky/uvod/informacie-cudzinci/integracna-politika.pdf> (Cited on 1.5.2021)

⁴⁷ Ibidem.

⁴⁸ The report “Using EU Indicators of Immigrant Integration”, European Commission, 2013, Available at: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/legal-migration/general/docs/final_report_on_using_eu_indicators_of_immigrant_integration_june_2013_en.pdf (Cited on 1.5.2021)

⁴⁹ Permanent residence is required in most of the generally binding regulations of cities and municipalities (typically for a period of five years).

⁵⁰ At the same time, accommodation is one of the conditions for granting the temporary residence permit to foreigners.

assistance, which is why such persons are willing to accept, under pressure of time, even worse rental terms and conditions.

The overall shortage of rental apartments in Slovakia, lagging far behind the EU average, is a universal problem affecting both foreigners, as well as nationals of the Slovak Republic. Therefore, rental housing is currently a relatively unfeasible alternative for foreigners coming to Slovakia for work or family. However, in the strategic documents of the government authorities and Slovak literature published by various organisations and the scientific community, it is presented as the primary option. Nonetheless, it is important to focus on the real possibilities of supporting foreigners' access to housing in Slovakia by providing allowances, combating discrimination in the real estate market or ensuring the required standard in accommodation facilities, thus reflecting the measures of the Labour Mobility Scheme for the Slovak Republic⁵¹.

Particularly due to the absence of language skills and a lack of knowledge about the system functioning in the host country, foreign workers are exposed to the risk of living in low-standard apartments and accommodation facilities despite the statutory obligation to provide, when applying for residence permit, a proof of accommodation which is meeting certain standards. Because of their position, they easily fall victim to the imbalance in relationships not only in terms of employment, but also housing, and they are almost dependant on their employer.

Foreign workers living in accommodation facilities may not necessarily be a result of making a decision in urgency, but sometimes it may be the decision of the employer itself or of an intermediary agency. In many cases this is the only option for foreign workers due to discrimination on the real estate market, non-flexibility of the system, administrative complexity in obtaining the "consent of the real estate owner" when applying for temporary residence, and affordability in comparison with the prices for commercial housing.

As implied by the conducted survey, some representatives of smaller towns consider this solution to be good⁵² in particular due to the concentration of workers "in one place" and the need to have them "under close surveillance". This perception is based on an idea that foreign workers are a threat and that it is necessary to monitor their movement. However, this mindset is rather typical for smaller towns where municipality representatives, owners of accommodation facilities, agencies and the police cooperate with each other. This approach, on the other hand, pays little attention to foreign workers themselves, their rights and segregation they face as a result of creating homogenous communities, as well as a negative image for the mainstream society caused by this solution.

The placement of foreign workers in accommodation facilities on the cities' outskirts or in small municipalities with insufficient social amenities and infrastructure is creating segregating tendencies, inter-cultural and societal pressures, prevents effective integration within the country and, last but not least, is seen as an unpopular political decision. In general, this solution is considered unfavourable and should only be applied by employers as an interim measure. In its report on Slovakia in October 2020, the European Commission against Racism and Intolerance (hereinafter only referred to as the "ECRI") presented a similar opinion concerning the accommodation of workers in facilities, seeing "collective housing that host only workers as a barrier to family reunification".⁵³

Financial allowances for housing for foreign workers living in various locations can be a more innovative and sustainable solution, thus avoiding their concentration in one place while at the same

⁵¹ See also the Labour Mobility Scheme for Slovakia, IOM, 2021.

⁵² Qualitative interviews between the IOM and representatives of municipalities, June-August 2020.

⁵³ ECRI Report on the Slovak Republic, 2020. Available at: <https://rm.coe.int/ecri-6th-report-on-the-slovak-republic/1680a0a088>. (Cited on 1.5.2021)

time supporting a certain standard of housing. Another solution with a positive impact may involve support for family reunification, simplified access of to the labour market for family members, support for cultural, sports and social activities for foreign workers and, in particular, systemic planning of the accommodation process, regular inspections of the quality of housing and transparent communication with the local population.

6. Access to education

Language education of foreigners, as a key aspect in labour market integration, has not been institutionalised and systematised in Slovakia for a long time, while the measures enshrined in the strategic (framework) documents are not being implemented in the long term as well. Based on available research, many experts have agreed that language integration of foreigners is not given sufficient attention in Slovakia, neither in terms of the legal or official policy documents⁵⁴, nor at the practical level.

To date, language education of foreigners has not been institutionalised in Slovakia. It is also for this reason that there are no data about language abilities of foreigners. The language barrier is one of the most frequent problems mentioned by foreigners in terms of communicating with authorities, availability of information in any area and, subsequently, their integration into society, inclusion of their children with their peers in schools, etc.

In learning the Slovak language, foreign workers often pay for courses in private language schools, attend free courses organised by non-profit organisations, use their employee benefits or online language learning tools. There is no state support whatsoever to help them and there is not even a standardised syllabus for language education of foreigners in Slovakia. Language education is left to be handled by foreign workers themselves, while the courses offered by private language schools are mostly attended by foreign workers who can be considered as higher skilled. Language courses are less affordable for low-skilled foreign employees working in lower paid positions. The research by Bargerová and Divinský suggests this as well, implying that, in addition to financial inaccessibility, the courses are often situated in and linked with large cities, which causes problems.⁵⁵

One of the few affordable options available to foreign workers include free low-threshold language courses offered by the MIC IOM⁵⁶ and the language courses organised by the civic association Mareena. In terms of capacity, however, these courses are far from being able to satisfy the demand and many foreign workers have to rely on self-learning, online tools (see below), help from their friends, colleagues and people they know, or they simply give up.

Non-existence of a **retraining system** that would allow foreigners to supplement their education and acquired experience is also a problem. In this area, foreigners have to rely on their employer or non-profit organisations. Even the questionnaire survey of the IOM confirmed that, for various reasons, foreigners are in many cases working in positions not adequate to their qualification, and Slovakia (as well as the foreigners' country of origin) is thus losing talented people⁵⁷.

⁵⁴ Šlosár D., Plavnická J.: Stav integrácie imigrantov na Slovensku [State of play in the integration of immigrants in Slovakia], UPJŠ Košice, 2014. Available at: https://kont.zsf.jcu.cz/artkey/knt-201704-0004_stav-integracie-imigrantov-na-slovensku.php (Cited on 1.5.2021)

⁵⁵ Bargerová Z., Divinský B.: Integrácia migrantov v Slovenskej republike, Výzvy a odporúčania pre tvorcov politik [Integration of Migrants in the Slovak Republic, Challenges and Recommendations for Policy-makers], IOM, 2008. Available at: https://www.iom.sk/en/publications/migrant-integration.html?download=134:mic/integracny_vyskum_iom.pdf (Cited on 1.5.2021)

⁵⁶ Due to the situation related to the COVID19 pandemic, the Slovak language courses organised by the MIC IOM in 2020 were conducted online and are continuing also in 2021.

⁵⁷ See also: <https://iom.sk/sk/novinky-a-podujatia/1395-prieskum-iom-pracovna-mobilita-zahranicnych-pracovnikov-na-slovensko.html> (Cited on 20.7.2021)

The questionnaire survey conducted as part of research has revealed that more than one half of respondents work in a different field than what they studied (as many as 56.8%). This result may imply that foreign workers are willing to accept jobs not corresponding to their main qualification or not requiring special qualification (even though these are not necessarily lower-qualified jobs) and that they are able to adjust to the needs of employers. On the other hand, this could also mean that foreign employees work for various reasons in lower-qualified positions compared to their attained education. At the same time, foreign workers working in jobs not falling within their professional qualification can imply that the labour offer itself is not the main motivation for arriving in Slovakia and that the manner in which qualifications are recognised in Slovakia is rather complicated and administratively demanding for foreign workers (see Part I).

In its 2020 report, the European Committee of Social Rights of the Council of Europe warns that, in Slovakia's case, it has not been established that "equal treatment with respect to access to training and retraining for the long-term unemployed persons is guaranteed to nationals of other States Parties".⁵⁸ Foreign workers with a temporary residence permit do not represent the target group of the existing RE-PAS^{59, 60} scheme services which are provided by the COLSAF as part of employment services and are used for the purposes of retraining job seekers to be able to succeed on the labour market with a view to gaining knowledge, abilities and skills during the training (retraining) course. Foreigners can become job seekers only after they have been granted a permanent residence permit, and only through a quite complicated procedure (RE-PAS does not take into account the specific situation of foreigners - e.g., the language barrier, etc.).

Retraining and further education are in many cases part of the benefits provided by employers to foreign workers. Foreigners in the Slovak Republic can also use and allowance for retraining courses through the MIC IOM. They can also attend paid-for retraining courses run by private institutions where prices depend on the field of expertise and region.

Likewise, there is currently no comprehensive or updated concept for **modern inclusive education of foreigners' children** in Slovakia. Despite several methodologies of instruction and materials issued by the Ministry of Education, Science, Research and Sport of the Slovak Republic, the system is not prepared for the needs of foreigners' children. Annual increases in the number of foreigners' children are slowly putting pressure on opening the possibilities of language education for children at schools and the lack of continuing improvement of pedagogical staff competencies in teaching Slovak as a foreign language.

Foreign workers are also encountering problems (as is the case with the local population) when placing children in kindergartens, either for capacity or other reasons, and they are not sufficiently informed about the possibility of applying for various types of allowances.

7. Access to healthcare services

Every foreign national with temporary or permanent residence in the Slovak Republic who is staying in the territory of the Slovak Republic is required to take out a health insurance policy valid in territory of the Slovak Republic (see Part I for more details). The scope of provided healthcare depends on the

⁵⁸ The Council of Europe warns Slovakia about certain deficiencies in the area of employment, 2021. Available at: <https://www.aktuality.sk/clanok/876649/rada-euroopy-upozornila-slovensko-na-niektore-nedostatky-v-oblasti-zamestnanosti/> (Cited on 1.5.2021)

⁵⁹ RE-PAS, see also: https://www.upsvr.gov.sk/br/sluzby-zamestnanosti/re-pas.html?page_id=585962 (Cited on 1.5.2021)

⁶⁰ Where a foreigner is registered with the labour office as a jobseeker, the services are provided in the same scope as in the case of a national of the Slovak Republic, according to the COLSAF. In practice, however, being unemployed, requesting a retraining course and not losing residence permit during the process is relatively difficult for foreigners in Slovakia.

type of insurance.⁶¹ In the Slovak Republic, all citizens, including foreign nationals⁶², have a right to choose a healthcare provider and an obligation to register with a general practitioner of their choice. Physicians might not necessarily have signed contracts with all health insurance companies.

Finding a physician (general practitioners or specialists) has been a problem for foreign workers for a long time, despite the fact that health care provision is guaranteed by law. According to available literature, the most common problems associated with healthcare provided in the Slovak Republic health include unawareness about the rights or procedures applicable in the healthcare sector for foreigners and the language barrier making the communication between the patient and the physician difficult mainly in smaller towns.⁶³ In bigger cities, Bratislava and Košice in particular, the number of private clinics and physicians who speak English and have experience in treating foreigners is increasing, but this is more commonplace in private rather than public healthcare providers.⁶⁴

In general, foreign workers complain about difficulties in finding a physician due to the fact that many physicians refuse to treat them either because of the language barrier, prejudices or fears of administrative complexity of the process⁶⁵. By the same token, there is insufficient information on healthcare provision to foreign nationals in Slovakia. The website www.slovensko.sk⁶⁶ contains information about medical treatment of foreigners in Slovakia, but only in the Slovak language.

As revealed by a questionnaire survey conducted within the IOM research, of all aspects evaluated by foreign nationals, finding a physician is considered to be the most challenging one. The situation is slightly easier when employers, family members or colleagues are able to recommend a particular physician. In many cases, foreigners resort to visiting doctors of foreign origin who speak foreign languages, but there is not many of them in Slovakia.

8. Culture, religion and relationships with a receiving community

Cultural acceptance and social cohesion is a strong factor helping foreigners to integrate in a country. As stated by the OECD, if such social cohesion is strong, it will promote integration; if it is weak, immigrants will find it harder to fit in. Even though social cohesion is hard to measure, information can be obtained from various satisfaction surveys among foreigners or from identifying the degree of trust and acceptance of foreigners by the host country's mainstream population, etc.⁶⁷

In Slovakia, the degree of acceptance of otherness, as well as interpersonal trust, is very low in general. The M. Šimečka Foundation carried out a survey in 2020 through the Focus agency in order to map the contact and degree of trust between Slovaks and foreigners. Based on previous years it is clear that degree of trust has been low in the long term: as many as 50.1% of respondents do not agree with the view that most of the foreigners living in Slovakia can be trusted, while it seems that Slovaks tend to trust more foreigners from EU countries than those from non-EU countries. In general, it should be noted that the degree of interpersonal trust in Slovakia is, according to Eurobarometer

⁶¹ Welcome to Slovakia. MIC IOM, 2018. Available at: <https://www.iom.sk/phocadownload/mic/mic-booklet-welcome-to-slovakia-sk-en-ru-2018.pdf> (Cited on 1.5.2021)

⁶² With the exception of asylum seekers, for instance.

⁶³ Bargerová et al.: Integrácia migrantov na lokálnej úrovni [Integration of migrants at local level], Centrum pre výskum etnicity a kultúry (CVEK), 2012. Available at: <http://cvek.sk/wp-content/uploads/2015/11/2011-05-integracia-migrantov.pdf> (Cited on 1.5.2021)

⁶⁴ Gallová Kriglerová E., Gažovičová T., Kadlečíková J.: Integrácia migrantov na lokálnej úrovni – výskumné zistenia a odporúčania [Integration of migrants at local level – research findings and recommendations], CVEK, 2011. Available at: <http://cvek.sk/wp-content/uploads/2015/11/2011-05-integracia-migrantov.pdf> (Cited on 1.5.2021)

⁶⁵ Bargerová et al.: Integrácia migrantov na lokálnej úrovni [Integration of migrants at local level], Centrum pre výskum etnicity a kultúry (CVEK), 2012. Available at: <http://cvek.sk/wp-content/uploads/2015/11/2011-05-integracia-migrantov.pdf> (Cited on 1.5.2021)

⁶⁶ Finding a physician is also complicated, in many cases, by the physicians' unawareness about the position of individual categories of foreigners in terms of insurance and their rights.

⁶⁷ See also <https://www.slovensko.sk/sk/zivotne-situacie/zivotna-situacia/lekarske-osetrenie-cudzince-v/> (Cited on 1.5.2021)

⁶⁸ Indicators of Immigrant Integration 2015, Social Cohesion and Immigrants, 2015. Available at: https://www.oecd-ilibrary.org/social-issues-migration-health/indicators-of-immigrant-integration-2015/social-cohesion-and-immigrants_9789264234024-15-en (Cited on 1.5.2021)

2018, at the lowest level among all EU countries.⁶⁸ Politicisation and generalisation, partiality and lack of data in communicating the topic of labour mobility and integration of foreigners does not help the situation and contributes to a stronger polarisation of society.

The freedom of religion is guaranteed in Slovakia for all without distinction, but foreigners living in Slovakia are excluded from the possibility to register a church or religious community because they are not meeting one of the conditions, i.e., citizenship of the Slovak Republic. At present, there are 18 registered churches and religious communities and many non-registered societies and centres active in Slovakia. In its country report on Slovakia in 2020, ECRI points to the fact that Muslims are experiencing problems in practising their religion, because they are not registered as a religious community (for instance, children cannot attend religious classes in state schools, Imams cannot conduct funeral rites in accordance with the tradition, and there is no mosque or official Islamic centre in Slovakia at present, etc.). ECRI therefore encourages the Slovak Republic to reconsider the existing law which indirectly discriminates against such religious people due to the fact that, out of the 18 communities that are already registered in Slovakia, 14 of them fall short of the new threshold of 50 000 members set by law.⁶⁹

In some of Slovakia's strategic documents, the term "culturally close countries" is used, describing the desired origin of foreigners – foreign workers based on these documents. However, this term has not been explained in more detail anywhere and, therefore, it is not clear which countries are considered culturally close. Nonetheless, it is believed that foreign workers arriving from countries with cultural, geographical or linguistic similarities with Slovakia can be integrated more easily. However, this concept is quite unclear and vague and there has been insufficient research to confirm this statement. Moreover, when conducting semi-structured qualitative interviews with representatives of local governments as part of the research, it was, in many cases, the members of the alleged "culturally close countries" who were seen as more difficult to integrate. The "difficulty" in terms of integration is not linked to the country of origin, but may be associated with many other factors – such as availability of language education, spatial segregation, level of education, insufficient cultural opportunities, the possibility of family reunification, etc.

9. Civic and political participation

The degree of civic and political participation among foreigners in the Slovak Republic has been very low for a long time. In this area, Slovakia has been ranking in the international Migrant Integration Policy Index (MIPEX) at the lowest levels in the long term.⁷⁰ According to MIPEX conducted in 2015 and 2019, Slovakia had one of the worst scores in the Political Participation indicator and ranked 22nd among all EU countries.⁷¹

Several societies and associations in Slovakia are attempting to bring their culture closer to the mainstream population and help their compatriots. Over the recent years, however, there were informal gatherings of foreigners in particular through social media or based on their affiliation towards a country, ethnic group or a city where they live (e.g. Foreigners in Bratislava). Nonetheless, the state is not systematically supporting foreigners in organising themselves in communities or exercising their election right and they do not even have strong representatives who could participate, for instance, in the development of policies in the given areas. The reasons leading to a lower participation rate of foreigners often include a lack of knowledge about the system in Slovakia and

⁶⁸ Rapoš Božič I.: Cudzinci žijúci na Slovensku - do akej miery sa od nich dišancujeme? [Foreigners living in Slovakia – How far are we dissociating ourselves from them?, 2020. Available at:

<https://www.fjuzn.sk/spolocnost/cudzinci-zijuci-na-slovensku-do-akej-miery-sa-od-nich-distancujeme> (Cited on 1.5.2021)

⁶⁹ ECRI Report on the Slovak Republic, 2020. Available at: <https://rm.coe.int/ecri-6th-report-on-the-slovak-republic/1680a0a088> (Cited on 1.5.2021)

⁷⁰ Slovakia, 2020, MIPEX. Available at: <https://www.mipex.eu/slovakia> (Cited on 1.5.2021)

⁷¹ Ibidem.

insufficient information, passiveness of foreigners⁷², being busy at work, lack of confidence in organisations, or fears of xenophobia and negative attitudes of the majority population.

Another problem mentioned in this area includes a lack of data because foreigners' participation in election or their membership in organisations is not statistically evaluated in any manner.

⁷² Civic participation is not their priority, which is considered by some authors to be a signal of insufficient integration.



PART IV: Fiscal impacts of migration in the Slovak Republic

(prepared on the basis of a research report by Tomáš Domonkos)

With a gradually rising standard of living and an increasingly frequent shortage of qualified workforce in several sectors of the economy, Slovakia has recently started transforming from a traditional sending country to a country of destination for foreigners⁷³. This is also confirmed by their number in Slovakia which increased, between 2016 and 2019, from 88,000 to 141,000 persons, up 61%. The high dynamism of this increase could be observed, in particular, in the case of foreigners from other than EU and EEA countries or Switzerland. Their number increased by 127% for the reported period. Along with migration for business and student migration, labour migration is the most significant component of legal migration to Slovakia.

The fiscal effect of rejuvenating the population through migration is obvious. The extent to which migration will be rejuvenating the population depends in particular on the volume and age structure of newcomers and the length of their stay in the country. **As far as Slovakia is concerned, it is likely that the role of foreigners as contributors will be increasing, or they will be burdening the state budget less than the local population on average.**

The local population is characterised by a higher percentage of women than men. **On the contrary, in the population of foreigners, men prevail by a large margin⁷⁴.** There are significant differences between the local and foreign populations in terms of distribution by age. **Foreigners have a more favourable age structure compared to the local population** in particular because most of them fall within the working age group and, of this group, many of them are at their most productive phase of life. **For this reason, migration has a potential to rejuvenate the general population of the Slovak Republic and can help mitigate the implications of an ageing population.** The younger age structure of foreigners compared to the local population can be observed across all regions of the Slovak Republic, not only the Bratislava region. Of all foreigners registered in the territory of the Slovak Republic, roughly one third were living in the Bratislava region.

The age structure in terms of public budget revenue distribution indicates that foreigners' contributions to the national budget are, on average, slightly lower than the contributions of the locals. In the case of women, this difference is significantly bigger. As regards men, the differences are negligible. **The distribution of transfers by age also indicates that, on average, the local population**

⁷³ Foreigner is defined in this section as a person who is not a national of the Slovak Republic. This group includes nationals of EU/EEA countries and Switzerland, as well as non-EU/EEA persons.

⁷⁴ The presented analysis relies on the methodology of generational accounts. The basic model is based on breaking down the population by age and gender, and it is subsequently adjusted in a manner that allows for examining differences in net taxes by region and education. The generational accounts represent a standard methodology for studying the fiscal effects of migration, allowing for its static and dynamic analysis. The key inputs necessary for compiling generational accounts include demographic data by gender and origin and a demographic projection using the same structure. The basic period used in the calculations is the year 2018. The reason for choosing this year was that, at the time of creating this research, it represented the most recent period for which all the relevant data necessary for compiling the disaggregated generational accounts were available.

of any age is spending from the public budget more than foreigners. This can be attributed to the fact that Slovakia's social system is rather stringent for nationals from non-EU/EEA countries and significantly restricts the possibilities for receiving the benefits in the initial years of their stay in the country. Residence permit is in many cases linked to employment and, in a situation where a national from a non-EU/EEA country loses his/her job, this permit will be revoked. Moreover, the number of foreigners rapidly increased over the recent years, and because the take-up of benefits from the social system is low among newcomers, the average values of transfers remain at low levels.

In general, it can be noted that regardless of origin, **men are reporting higher net taxes on average in particular during their productive phase of life, which means that, during 2018, they paid more to the public budget than they received from it on average.** For the local population, this value represented almost EUR 1,100, and **for foreigners, nearly EUR 4,800.** On average, women from the local population were receiving roughly EUR 1,500 more in comparison with what they paid in taxes, while **women in the foreign population contributed some EUR 50 more than what they received on average** in 2018. Even in this case the **results are more favourable for foreigners due to lower net taxes in the retirement age and younger age structure of their population.** Based on these results we can estimate how much revenue for the public budget is lost because of the lengthy and inflexible process of granting residence permits to foreigners (in particular the nationals of non-EU/EEA countries) who intend to work in Slovakia; for instance, if it takes three months to grant residence to a **national from a non-EU/EEA country, Slovakia is losing, in terms of fiscal effects, EUR 772 per person⁷⁵ on average in net taxes for this period.**

Majority of the relevant research covering fiscal effects of migration arrive at a consensus that migration has the potential **to change the age distribution of the population, gender structure of the population and fiscal characteristics of the individual age groups.** Thanks to this it also has the potential to affect public budget revenue and expenditure. Even though, at individual level, a foreigner's net contribution to the budget is in most cases lower than that of a national of the host country, migration can have a positive impact at an aggregated level in particular due to the younger age structure of foreigners and a high proportion of working people in the total foreign population.

At an aggregated level, the fiscal effects of migration are usually small and, therefore, regardless of whether this effect is positive or negative, **migration has the potential to affect the fiscal position of the host country to a limited extent only.** The same applies to Slovakia whose economy will be gradually facing fiscal imbalances, for instance, also due to population ageing. Migration has the potential to mitigate such trends, but its effects are very small in comparison with the overall volume of imbalances. In order to mitigate fiscal imbalances, it will probably be necessary to reduce transfers and/or increase taxes. Hypothetically, without any foreign migration in Slovakia as of 2019, an across-the-board increase in budget revenue by 23.3% would be necessary to counter long-term fiscal imbalances. In the case of the most probable migration scenario, it would be necessary to increase the budget revenue by 22% across the board, i.e. the **fiscal effect of migration accounts for a tax reduction by roughly one percent.** The best results would be achieved if all foreigners are highly qualified, and then the taxes would have to be increased only by 20.7%.

The results of research have shown that migration has the potential, under certain conditions, to change the long-term fiscal imbalance which Slovakia may be facing in the future. **In developing the labour mobility policy, it would be advisable to consider age, education and ability of foreign workers to integrate into the labour market.** These parameters seem to be equally important as the

⁷⁵ Fiscal effects were estimated on the basis of data available only for the entire population of foreigners and, therefore, in interpreting these results only for persons from countries other than EU/EEA and Switzerland, we can only describe it as a certain approximation.

total number of foreign workers. A highly-qualified foreigner in the most productive phase of life has the highest potential to bring positive fiscal effects. Therefore, if such a foreigner is able to fill in a job vacancy which cannot be filled by domestic workforce, it is necessary to make sure that such foreigner would be able to do so as soon as possible. It is also important to set up the social system and integration policy in a manner that migration does not become a polarising element dividing the society. What matters in fiscal terms is that social system should be set in a manner that does not provide an opportunity for its misuse. At the same time, it is necessary to **support the integration of foreigners and their family members into the labour market and society and to ensure that labour mobility tools and measures allow the needed and highly qualified foreign workers, as well as foreign workers with suitable qualification, to enter the Slovak labour market as quickly as possible.**

Because of a broad range of factors determining the fiscal effects of migration and the economic and political importance of this issue, it is necessary that the **existing state of play in foreigners' contributions as well as benefits received by this group in Slovakia are monitored systematically and regularly, at least on an annual basis.** This monitoring should be structured by country of origin in order to be able to identify the nationals from EU/EEA countries and Switzerland, as well as outside of these countries. This method will have a great potential to contribute positively to a properly set up labour mobility policy.

As a general rule, the **commonly available statistics cover foreigners only marginally and the data is available only for a limited number of periods which significantly complicates a systematic analysis of migration and its impact on the Slovak economy.** In the commonly available labour force sample surveys (LFSS), the population of foreigners is represented by a small size or information on the origin is lacking. Therefore, it is advisable to start collecting the necessary statistics also for this population group, and analyse it systematically. It would be useful to segregate the demographic data and forecasts by country of origin as well. Every official institution that also collects data on foreigners should be able to exactly identify their country of origin. The methodology for reporting such data should be harmonised among the relevant institutions.