



Centrum Stosunków Międzynarodowych
Center for International Relations

Reports & Analyses

9/05

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The Client's System in the Czech Labour Market: Brokers, Immigrants and Employers

The Report was written in cooperation with the Konrad Adenauer Foundation, within the framework of the projects 'Transatlantic Security Challenges and Dilemmas for the European Migration Policy', sponsored by the German Marshall Fund of the United States and 'Poland as a country friendly for Immigrants' coordinated by the Civic Club Foundation, financially supported by the International Visegrad Fund and Embassy of the Netherlands.

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The Client's System in the Czech Labour Market: Brokers, Immigrants and Employers

The paper presents the outcomes of the research which was carried out and concluded by the Intermundia Agency for the Ministry of Interior of the Czech Republic this year. The research's objective is to describe the process of human trafficking for the purpose of forced labour in the Czech Republic.

The study was particularly focused on the structure of the environment, workers living conditions, and the strategies employed in the situation of trafficking. The structure of environment based on the study of individuals involved in the whole process of human trafficking (i.e. recruitment, work brokerage, transport to workplace, conditions of work performance and termination of so-called contractual relation, participants' characteristics). Workers' living conditions were studied in the light of the way and circumstances of mutual financial settlement between parties involved in human trafficking. Strategies selected by the victims to cope with this specific social situation included effective practices of labour brokerage, accumulation of advantages including the issues concerning limited options of decision-making by possible victims.

The research was carried out in the environment of work brokers active in the undocumented work. It involved migrants present in the sphere of supranational shadow economy. Particular attention was paid to specific institutional conditions of mutual relation, as well as the material and social deprivation of migrants.

The study tried to answer the following questions:

- Who are the work brokers and how do they deal? What is the structure of the environment of undocumented labour brokerage? Which rules are applied within the environment?
- What are the living conditions of the workers and what limits them? What work do they perform? Are they autonomous and free in their decision-making?
- Which strategies of survival are chosen by individual participants?

The labour brokerage is performed in the environment of network, where the main part is played by brokers having strategic contacts with clients, i.e. immigrants arriving to improve their living conditions and perspectives, and employers, who benefit from migrant labour only when profits exceed risks that can be conveniently eliminated by the clients' network.

The journey to the Czech Republic is part of the business and a business induces various kinds of dependencies. Migrants' dependence on their brokers together with the need of "to survive anyway" shapes that peculiar environment of human trafficking. Work seekers, Czech employers and labour brokers form elements of this environment. Their mutual interaction determines the nature of immigrant work, as the latter set up fixed rules of the business: they determine wages and create their specific social myths (e.g. punishment due to 'wrongdoing' by workers carried out by mob men).

The network existence is vital, and in case of migration it connects traditional relations within the countries of origin and transfers them to host societies. Thus, it has become a powerful institution. An institution shaping the norms of what is common, usual and unchangeable, and bringing benefit to all parties. It creates a mutual dependence with obligations resulting from it for each party. Oppression and exploitation are innate within the scheme of network.

Czech employers are interested in immigrants and they seek for them. A language barrier between an employer and a migrant, plus the willingness of the latter to work for low wages and in bad conditions make the relation easy.

The estimates of undocumented foreigners vary in the Czech Republic. The reliable data concerns the most considerable immigration from Ukraine. According to the unofficial data quoted by the "Circulatory Migration of Ukrainians to the Czech Republic" project, conducted by the Strategic Studies Centre, ca. 300.000 Ukrainians live in the Czech Republic on unregulated basis. The Foreigner's Police Central Office reported 16.696 foreigners who had breached residential laws and thus were detained by the Police squads in 2004. 21.350 foreigners were detained in 2003 and Ukrainians were the prevailing nationality. If we sum up the data available since June 1999 to the end of 2004, 93.557 undocumented foreigners were detained in total. This number indicates the scale of undocumented work in the Czech Republic.

The social theory of institution of network was the starting point for conceptualisation of the phenomenon of illegal foreign workers in the Czech

Republic. The theory became the frame to describe illegal activity, with the premise that there are no equal work conditions but that the network provides distribution of scarce goods, including security. The research focused on the so-called labour brokerage as the central category and it showed that the brokers and their activities play a key part within the labour business.

The social nature of the phenomenon led to the choice of qualitative method of analysis. The interviews were very difficult. The research was conducted on the edge of feasibility because it required finding suitable conversational partners. A primary obstacle was the fear of interviewees to speak about their experience.

The study drew up on three sources: interviews with foreigners, interviews with experts, and various written and published materials, e.g. anonymous texts of immigrants and job ads.

We found out that the labour brokerage is a mass phenomenon and a common part of migration reality. From the point of view of time and place it is a conditioned phenomenon that is internally diversified and has many faces. It can develop to comprise also the migrants with higher professional skills; another trait is that all participants share the profits. The risks and profits, however, are unequally distributed. That is not to say that immigrants are forced to work. Clients find themselves in need and there are many factors to their deprivation. The labour brokerage often correlates with the illegal sphere whereas the legality itself does not offer many opportunities to immigrants and moreover it is very exclusive.

The research findings can be enumerated as follows:

- The labour brokerage is not a marginal phenomenon; on the contrary, it is a mass phenomenon which is common element of migration reality in the Czech Republic.
- The labour brokerage is carried out by a group of brokers who provide work for payment and have connections with Czech employers.
- The time and place of labour brokerage incidence correlates with illegal work. It is an internally diversified and complicated phenomenon, which is ethnically affected.

- The phenomenon is supported by Czech employers' demand for immigrant work, especially in the field of low-skilled, manual, monotonous, physically demanding and underpaid jobs.
- For immigrants the job itself does not represent merely earnings, but it has a broader dimension. It is related to the livelihood not only for the immigrant but also often for his whole family living in the country of origin. It enables them to survive and its purpose is not to reach a high living standard.
- The Czech Republic has become a destination country for the labour migration. The period of transit migration is definitely the song of the past. Nowadays, it can be no longer claimed that the migrants are here only because they have failed in the West. The Czech Republic has much to offer to migrants and jobs are the primary pull factor.
- Migrants coming from the East want to stay in the Czech Republic for a longer period or permanently and to establish themselves. The reason is, as they claim, that the Czech society offers cultural affinity and tolerance. Legislative measures and efforts to control migration will have only a limited effect, the migration process is very intensive, hardly manageable and seen as "a step ahead".
- There are several kinds of the labour brokerage: brokers working in the country of origin and providing contacts; semi-legal labour agencies working in the country of origin with more wide-ranging offers; kinsmen living in the Czech Republic and using their own social and cultural capital, i.e. their familiarity with environment and contacts established in the past; ethnic brokerage agencies operating in the Czech Republic, which have been legally established and are run on the principle of ethnical solidarity, offering informal work and subcontracts to Czech companies (in this case Czech employers tend to transfer risks on it) . Brokers can also be generally defined friends who have established themselves in the Czech shadow labour market, head hunters who address asylum seekers in asylum facilities, or Czech brokers who operate in certain sectors (supermarkets, hospitals, etc.). However, brokers usually are foreigners who are experienced and skilled in the

field of undocumented work. They would usually come to the Czech Republic in the beginning of the 1990's, and they would not establish legal business activity. They are usually contacted in the country of origin, as part of the agreement, or they have their groups of workers and provide regular exchange of labour force. As regards the groups of workers, they have their territories, and their contact points are situated in the places where high numbers of foreigners can be found. These can be railway stations, public bars, night bars, souvenir shops and stalls. The brokers conclude cartel contracts.

- Labour brokerage starts with the contract, which is concluded with a broker and if both parties agree to the conditions, an oral agreement is concluded. Obligations result from the contract for both parties.
- The brokerage is functional if the parties comply with the obligations. Internal stabilising sources – a combination of exclusion mechanism and rational option - maintain the institution's continuity. The institution is maintained by profits of all participating parties, even if the profit and participant risks are unequally shared. The state benefits from migrants' work through economic progress; state officials profit from illegal incomes; migrants are employed and have a source of income and the employer gains cheap and needed labour force, for which he is not responsible. It is no wonder that the undocumented work is a tabooed issue which is not spoken about.
- There are distinctive phases of brokerage institution. An initial number of isolated brokers was confusing for clients who found themselves in different situations and under the various conditions. Having tried in vain to open certain segments of legalisation of residence and permits, it turned out that using advantages offered by the illegal sphere are less expensive. The legal sphere itself is exclusive. Clients and brokers found out that work in stabilised environment is more profitable. Thereby the risks resulting from unsteadiness of verbal brokerage contract are eliminated. Demands for provision of needed service increase. Recently brokers have been professionalised and they have established ethnical firms, which become profitable subcontractors of Czech companies.

- We can distinguish Ukrainian, Caucasus ethnic groups, Ukrainian-Caucasian, Ukrainian-East European, Vietnamese and Mongolian types of the brokerage. The main brokerage institution operating in the Czech Republic is that of the Ukrainians. It is the most extensive and hazardous brokerage institution that is challenged by that of Caucasus ethnic groups, which considers itself as a less hazardous one and which is established basing on the strong ethnic unity. Vietnamese “services” are specific type of brokerage offered at the entry to the community.
- The voluntary character of the work is not completely straightforward. Clients consider themselves to be free. Forced work, if it occurs, is only mere exceptional occurrence, and it is related to the restriction of movement. The relation between the broker and the client is highly unequal, as well as profits resulting from it. Clients find themselves in disadvantageous position and are exposed to many risks and detriments; they are in the situation of need and limited options. They live in deprivation, but yet they consider their situation to be better than that in their countries of origin. The extent of autonomy depends on external circumstances; saturation of the labour market enables brokers to hold clients down yet more.
- Generally it is true the legal sphere excludes immigrants by its proceedings and practices. In comparison with the illegal sphere it does not offer them opportunities because the illegal sphere reacts flexibly and quickly, and it does not harass them and offers comprehensive operative systems. The legal sphere discredits itself by corruption acts, which do not bring about the atmosphere of trust in legal proceedings.
- The illegal work disavows criminal sphere. The quiet work is the preference, as the preference is not to be disturbed, to have guaranteed income and to maintain that state for as long as it’s possible. The migrants, who stay in the country for a long period and who are socially hidden, are to be found in the sphere of illegal work. The intention to come to the country in search for a job is separated from the intention to commit a crime offence. Migrants come to a country with good intentions.

The above-mentioned shows that:

- a) The main risk emerges within so-called friction liminality. The liminality is related to the nature of work performed for which a high fluctuation and alteration are typical, and where the immigrants also have to pass a period when they are unable to find a job. At these moments immigrants are exposed to high stress and they have no source of income. Then there is risk that they start to use illicit ways to get money. The liminality is a period when they are most vulnerable to being approached by the organised crime.
- b) As regards labour immigrants, the criminal risks are more potential than actual. The labour migration is not an initiator of crime activities but can be a possible source when e.g. changes on labour market or other discontinuities compel immigrants to get involved in such activities.
- c) The illegal sphere brings a risk of zero integration of immigrants who stay away from the value system of the main stream. Because women and whole families are involved in migration, the problem of second-generation children who are born in the Czech Republic without any status will emerge eventually. Thus a completely excluded group is about to emerge.
- d) Immigrants, who strongly depend on brokers and are not able to conceive other options of residence and work, are targets of deceitful labour brokerage. It often concerns women who support families in their countries of origin. There is a high risk of being exploited and submitted intentionally which makes the group of immigrants easily exploitable.

Risks are generally connected with the illegal sphere. The work migration is not actual inducement of crime activities. The risk consists in zero integration of migrants and the emergence of the second-generation children without any status. There are also health risks (especially mental diseases), deviant behaviour, exclusion from traditional and majority value systems, formation of radical tendencies, etc.

Only some of the findings have been mentioned here, but it is apparent that undocumented residence for the purpose of undocumented work is one of types of undocumented migration, which is related to the development of informal labour market and the diversion from transit migration. The informal labour market has its own rules, it is fuelled by the immigrants' need, the development of the informal

sector of “services” and also by the exclusive construction of legality. But the most important fact is that undocumented work is silently accepted and tolerated by the society that declares itself as a society where universal freedoms, equality and self-fulfilment are being applied together with the liberal democratic tradition.

Center for International Relations

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A number of projects implemented by the Center have been sponsored by the Ministry of Foreign Affairs of the Republic of Poland and Ministry of Defence.

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