

A NEW TIERED SELECTION SYSTEM FOR LABOUR MIGRANTS COMING TO THE CZECH REPUBLIC



In September 2022, the Czech government announced a proposed reform to the labour migration framework. Proposed changes would allow the Czech government to offer more favourable residence conditions to some third-country nationals, making the Czech Republic more competitive as a destination for talent. In addition, it would simplify and accelerate the recruitment procedure for the most needed workers, improve the oversight of working conditions for foreigners, and reduce the administrative burden for Czech authorities, employers, and migrants.

This brief presents the reasons why this change is necessary, how the proposal was developed, what it would change and who would benefit.

Why is it necessary to change the labour migration framework in the Czech Republic?

Unemployment has been low for years and labour shortages are frequent across the skills spectrum. The unavailability of labour has been a brake on investment and growth. Labour migration has increased rapidly in the past few years, despite the interruption of the pandemic, but the Czech Republic struggles in particular to attract and retain skilled workers in a number of critical occupations where local labour supply is forecast to be particularly tight the near future.

“From a long-term perspective, in the coming years, fewer workers will enter the Czech labour market than the needs of our economy.”

- Minister of Labour and Social Affairs Marian Jurečka

How labour migration works today?

At present, labour migrants – regardless of salary, skill or employer – are allowed to enter the Czech Republic for employment only after the employer informs the Labour Office of the vacancy and the Labour Office confirms that no resident worker is available (up to 30 days).



Regardless of education, salary or occupation, all migrants are subject largely to the same conditions. The maximum duration of a residence permit for employment is two years; it can be renewed, subject to the same approval process, but extensions are also limited to two years at a time. Labour migrants can ask to bring their partners and minor children, but usually only after they've arrived in the Czech Republic. Spouses and partners of labour migrants must request separate authorisation for employment, a process which can take months. The EU Blue Card provides better conditions for family members but has onerous eligibility requirements. Applications for permanent residence can be filed after five years as on an employment-based residence permit. While there is no statutory numerical limit on labour migration in Czech legislation, limited processing capacity in many consulates and the sharp increase in demand have led to a priority-processing procedure so that certain employers and certain workers are assured a consular appointment.

For skilled workers, the Czech system is far less generous than the system in neighbouring countries.

Most competitors and peers of the Czech Republic offer much more favourable terms to skilled labour migrants: longer permit duration (up to four years), simpler extension procedures and admission of accompanying family members with immediate work rights. Permanent residence can be obtained sooner – in some cases immediately, in others, such as Germany, in fewer than three years. In all EU countries, skilled migrants can already apply for permanent residency during the validity of their first extension; in the Czech Republic, they must wait.

Skilled migrants in the Czech Republic are faring well in the labour market.

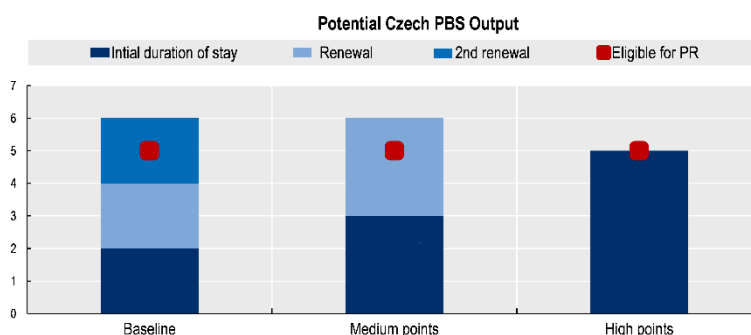
Labour migrants working in higher skill occupations in the Czech Republic see consistent wage growth the longer they stay, demonstrating both their value to their employers and their increasing human capital. The same is true for education: on average, high-educated labour migrants work in higher-paying jobs than Czechs with tertiary education, especially those who stay with their employer for several years.

What needs to be changed?

The Czech Republic cannot currently offer skilled labour migrants competitive conditions at least in line with neighbours and peers in Europe.

In order to do so, it would have to be able to offer a five-year permit, competitive with all

European countries for the highest skilled migrants. A longer permit would allow more stability and smoother transition to permanent residence if eligible. A three-year permit



would have the advantage of requiring only one extension before eligibility to apply for permanent residence.

In terms of application for extension, elimination of the labour market test and administrative simplification would facilitate retention.

Allowing skilled migrants to bring their family, and granting family members immediate labour market access, would also bring the Czech Republic into line with other EU countries.

Who should receive better treatment under the new system?

To decide who should receive these more favourable conditions, the Czech Republic must identify which migrants have the skills and characteristics needed. There are several different criteria contributing to long-term success. To take different criteria into account, a points-based system can provide weights for multiple parameters and allow policy to rank applicants with different characteristics.

“We want to emphasize above all the securing of qualified workers heading into fields with long-term perspective. Therefore, we plan to introduce a point system that will favour educated and experienced people. We will then offer such workers longer and better residence and work permits. Among other things, this will increase the competitiveness of the Czech Republic.”

- Minister of Labour and Social Affairs Marian Jurečka

“We actively examine [...] the possibility of using a points-based system for admission of labour migrants.”

- Minister of Interior Vít Rakušan

Based on international good practice and evidence from the Czech labour market, 10 different parameters were identified as useful in ranking labour migrants and assigning different permit categories. Job characteristics (occupation, salary) are included, as are human capital considerations (Czech and foreign education, language skills, experience abroad and in the Czech Republic). Age is included, since younger workers offer greater lifetime potential but might be penalised by their lack of experience or lower salary. The Czech government can also choose to give more points to people working in strategic sectors.



Proposed Points Grid

150 Points: Top Tier. 65 Points: Medium Tier. Fewer than 65 Points: current conditions.

Points category	Reason	Range
Salary	Proxy for high skill and high productivity	>1.4 times average = 60 1.2-1.4 times average = 30 [1-1.2] times average = 15
Occupational skill level	higher initial wages and wage growth	ISCO 1-2 = 60 ISCO 3-4 = 30 ISCO 5-7 = 0
Language: Czech	higher productivity, greater participation and retention	CEF B1 and above = 60 CEF A2 and above = 30 CEF A1 and above = 15
Age	greater fiscal contribution over lifetime	25 to 35 30 21 to 24 OR 36 to 39 15 <21 OR 40 to 44 5
Education	higher initial wages and wage growth	PhD = 60 Masters = 45 Bachelor = 30 Some post-secondary = 5
Work Experience: Czech	Longer job tenure is associated with wage growth	>2 years = 40 >18 months = 20 1 year = 10 6 months = 5
Language: English	in demand in high-shortage occupations	4.5 IELTS and above = 15 4 IELTS and above = 5
Work Experience: Foreign	higher productivity	4 years = 15 2 years = 5
Strategic Occupation	allows government to identify important jobs	Yes = 15
Qualification: Czech	higher value of education, contributes to policy to attract students	Yes = 15



Who will receive better conditions under the Points-Based System?

In order to develop this points grid and assign weights and thresholds, the experience of recent migrants to the Czech Republic was examined, looking at their education, occupation, age, employment history and nationality, among other characteristics. The labour migrants who arrived in 2015-2020 were assigned scores. Less than 10% scored 150 points and qualified for the top permit category. An additional 20% scored above 65 points and qualified for the second category.

Top benefits go to an exclusive group of talents.

Simulating the effects of the PBS on recent migrants, almost all recipients of the higher-tier residence permits were tertiary-educated; most (but not all) were employed in high-skill jobs; most were prime working age. Top-scoring migrants work in firms of all sizes. Top-scoring migrants also disproportionately come from non-traditional origin countries, helping the Czech Republic expand its recruitment base.

Additional Reforms to support the PBS

In addition to the PBS, the proposed reform also includes several other important policy changes.



A Recognised Employer list would allow certain employers to undergo pre-approval for recruitment of labour migrants, simplifying the evidentiary requirements for requests to hire labour migrants. In exchange for this facilitation, Recognised Employers would grant greater data access to Czech authorities to allow continuous and automatic monitoring of employment conditions. Sanctions for non-compliance would be greater.



An on-line application platform would allow the Czech authorities to capture more information about the characteristics of labour migrants and better understand which characteristics contribute to success in the long term.



Authorising the use of data for monitoring and evaluation will strengthen Czech capacity to oversee labour migration programmes, promote certain channels and focus on other points at higher risk.



Allowing exemptions to the labour market test opens the possibility for the Czech authorities to establish shortage occupation lists for jobs where no local workers are available, and recruitment can be accelerated.



The Future



With the PBS in place, and the flexibility granted to the Czech Authorities to provide exemptions to the labour market test and to adjust the duration of residence permits, the Czech Republic is well positioned to face future changes in the labour market. The PBS allows the threshold and adjusting weights to better incentivise migration by those with the skills which can contribute to long-term growth.

How was the policy proposal developed?

The work leading to this report was undertaken in the context of a project funded by the European Union via the Structural Reform Support Programme and implemented by OECD in cooperation with the European Commission's Directorate General for Reform Support (DG REFORM), which seeks to advance institutional, administrative and growth-sustaining reforms in EU Member States across a variety of policy areas.

The International Migration Division in the Directorate for Employment, Labour and Social Affairs at the OECD worked with the Czech Ministry of Labour and Social Affairs to develop the scenarios included in this report. Meetings were held with stakeholders across the Czech Republic to gather views and understand where reform could improve the labour migration framework, in the broadest such labour migration consultations ever conducted in the Czech Republic. International experts and representatives of countries with immigration systems conducting selection of migrants exchanged with the Czech authorities.



**Funded by
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For more information see:

[Recommendations for a Multi-Criterial Points Based Migration for the Czech Republic](#)

Links:

https://ec.europa.eu/info/news/introducing-multi-criterial-points-based-system-preferential-migration-framework-foreign-employment-policy-czech-republic-2022-sep-21_en

<https://www.mpsv.cz/web/cz/-/ceskou-republiku-ceka-reforma-pracovni-migrace-s-jeji-pripravou-pomohou-vystupy-projektu-mpsv>