



# Policy Brief

## Russian Invasion of Ukraine - Migration Crisis

Group 1: Slovakia

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## Executive Summary

Slovakia has experienced a significant influx of refugees due to the war in Ukraine which has substantially impacted its labour market and the overall socio-economic situation. The government has responded by granting refugees a temporary protection status, which includes housing, money, healthcare, education, and employment prospects. However, the integration process has many areas for improvement - such as work with interested parties to develop employment prospects and address worries about the burden on the nation's resources to integrate refugees successfully into Slovak society.



# Introduction


In February 2022, the Russian massive-scale aggression to Ukraine began, forcing the Slovak government to declare an emergency on February 26th in response to the mass influx of Ukrainian Refugees. To assist the Ukrainian refugees, several amendments were made to the Act on Civil Protection to implement economic mobilisation measures. The national council of Slovakia also amended the Act of Asylum to grant a temporary refuge to the Ukrainians and provide them with access to the labour market, education, transportation, social protection, and healthcare.

## I. Economic Analysis

### Current State of Labour Market

In order to contextualise the effects of the migration crisis on the labour market, an overview of the current unemployment, the educational attainment in the workforce, and the pre-invasion migrant profile in the labour force is presented in the table below. All data was reported by the Statistical Office of the Slovak Republic (SOSR, 2023a, 2023b; Zackova et al., 2022):

<i>Indicator</i>	<i>Reported Value (in thousands)</i>
<b>Unemployment (Q4, 2022)</b>	168.9 (6.0%)
<b>Educational Attainment (Q4, 2022)</b>	
.....	.....
<b>Employed</b>	2632.2
<b>Higher Education</b>	847 (32.3%)
<b>Secondary Education (all types)</b>	1,684.3 (64.2%)
<b>Migrants in Labor Force (Pre-Invasion - Q4, 2021)</b>	
.....	.....
<b>Employed</b>	30.8
<b>Higher Education</b>	8.8 (28.6%)
<b>Secondary Education (all types)</b>	22.8 (74.0%)
<b>Country of Origin (Top 5) (Not in thousands)</b>	CZE: 11,300 UKR: 4,200 ROU: 3,900 HUN: 1,600 POL: 1,600



Notably, the Slovak labour market can be characterised by its near all time low unemployment rate, relatively few migrant workers (~1%) before 2022, lower rates of higher education attainment among workers relative to the OECD average, and a predominant manufacturing sector. Notably, the labour market suffers from a decreasing working age population and, due to the large manufacturing sector, is estimated to be at the highest risk (among the OECD) of job automation, which is associated with earlier retirements (Hwang & Roehn, 2022). When combined, these issues suggest that a large number of low-skilled labourers would require retraining or additional skills in addition to the increased labour shortages caused by the retiring workers.

### Socioeconomic Status of the Refugees

Due to the inherent difficulties associated with collecting accurate socioeconomic data for large sets of displaced peoples, the reported socioeconomic data may not be representative of all Ukrainian refugees residing in Slovakia. A summarised table of socioeconomic data collected by the United Nations High Commissioner for Refugees (UNHCR, 2022, 2023d) is presented below:

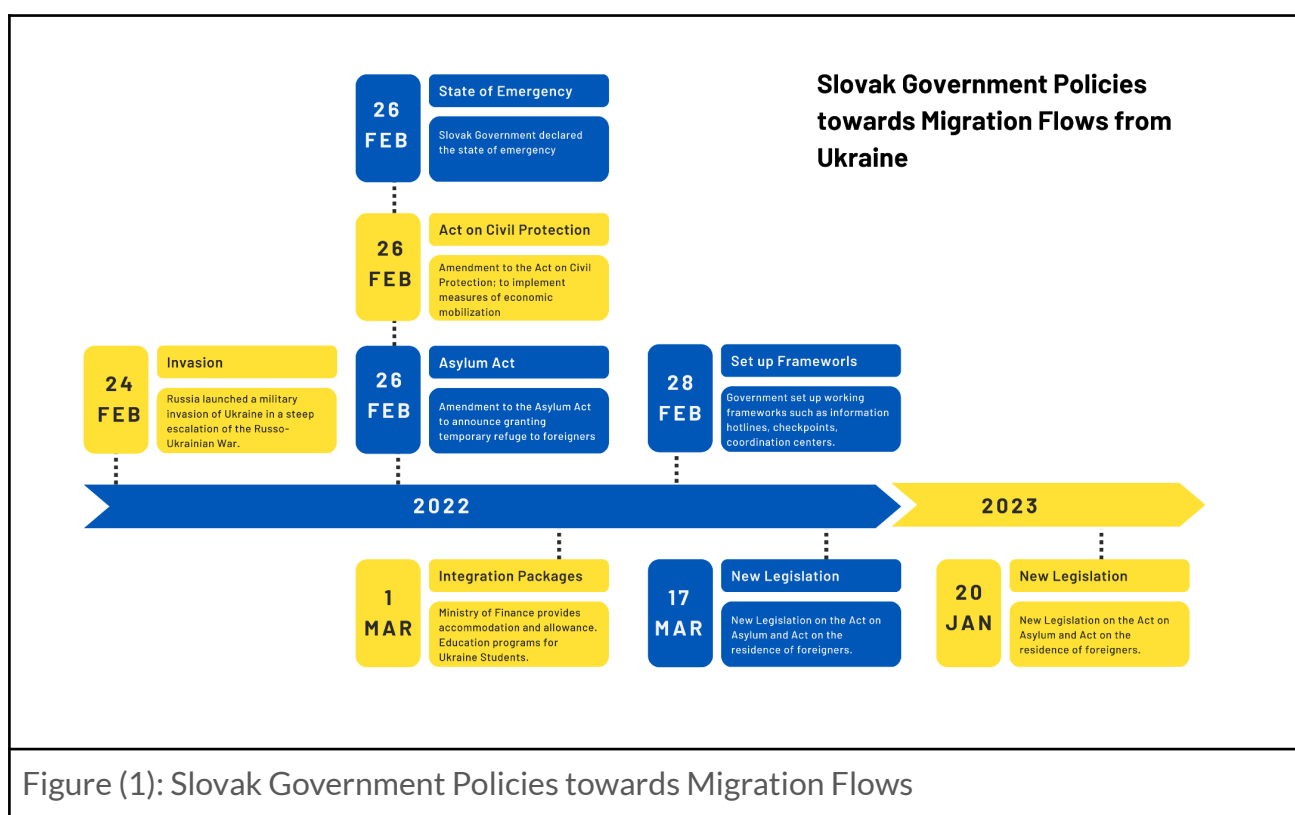
<b>Report Name: (95% CI, &lt;5% MoE)</b>	<i>Protection Profiling and Monitoring</i>	<i>Multi-Sectoral Needs Assessment</i>
<b>Date</b>	March, 2023	August, 2022
<b>Method (Sample Size)</b>	Interviews (3,104)	Survey (724)
<b>Education (Completed Higher Education)</b>	77%	64%
<b>Prior Employed</b>	56%	70%
<b>Proficient in Slovak Language</b>	9%	-
<b>Average Age</b>	53 (respondent age)	31
<b>Gender</b>	85% Female (respondent)	71% Female
<b>Household Size</b>	2.1	2.6

The small 95% CI margin of error of the reports suggests that the results would be representative of the entire population of Ukrainian refugees in Slovakia. Although the majority of the refugees are well-educated and were employed prior to leaving, the apparent language barrier could lead to underemployment, decreased participation in the economy,

and slow integration into the labour market. These issues could mitigate the possibility of alleviating labour shortages and raise fiscal costs (Aiyar et al., 2016). To avoid such a situation, increased emphasis should be placed on language education programs.

## Government Policies Towards Migration Flows

The government established Ukraine Language information hotlines on February 28th to assist new arrivals. The Ministry of Finance announced an allowance of 105 EUR per month for accommodated children and 210 EUR per month for adults on March 1st, paid to private individuals who offer accommodation. In March 2022, new legislation was introduced, permitting one year of temporary protection under the Act on Asylum and the Act on the Residence of Foreigners. Later, in January 2023, the quick protection package was extended until March 4th, 2024.



## Future Migration

According to the UNHCR (2023c), between February 24th, 2022 and March 19th, 2023 there have been 1,252,162 border crossings into Slovakia from Ukraine. The data from the UNHCR (2023a) suggests that 112,154 of these migratory individuals are refugees that have registered for temporary protection. Regarding the future developments in the number of border crossings into Slovakia from Ukraine, we estimate that between March 20th, 2023 and March 20th, 2024 there will be an additional 983,048 crossings, 95% CI [559,437 , 1,406,658]. As seen in Figure 2, our KNN regression based model of the daily border crossings suggests that the migration flow will maintain its relative stability seen since April, 2022. Furthermore, regarding the future number of refugees seeking temporary protection in Slovakia, the UNHCR (2023b) predicts an increase from the current 112,154 to 200,000

refugees over the course of 2023. The socioeconomic profiles of the incoming refugees may likely fall within the established range based on the similarities of the past reports. Moreover, assuming that the conflict continues, the long term effects on employment and GDP caused by such a substantial and prolonged migration flow is still unclear, and based on historical data the severity will likely depend on the speed of integration into the labour market (Aiyar et al., 2016). However, it is clear that the rate of public resource utilisation will increase to accommodate the considerable and persistent future inflow of refugees.

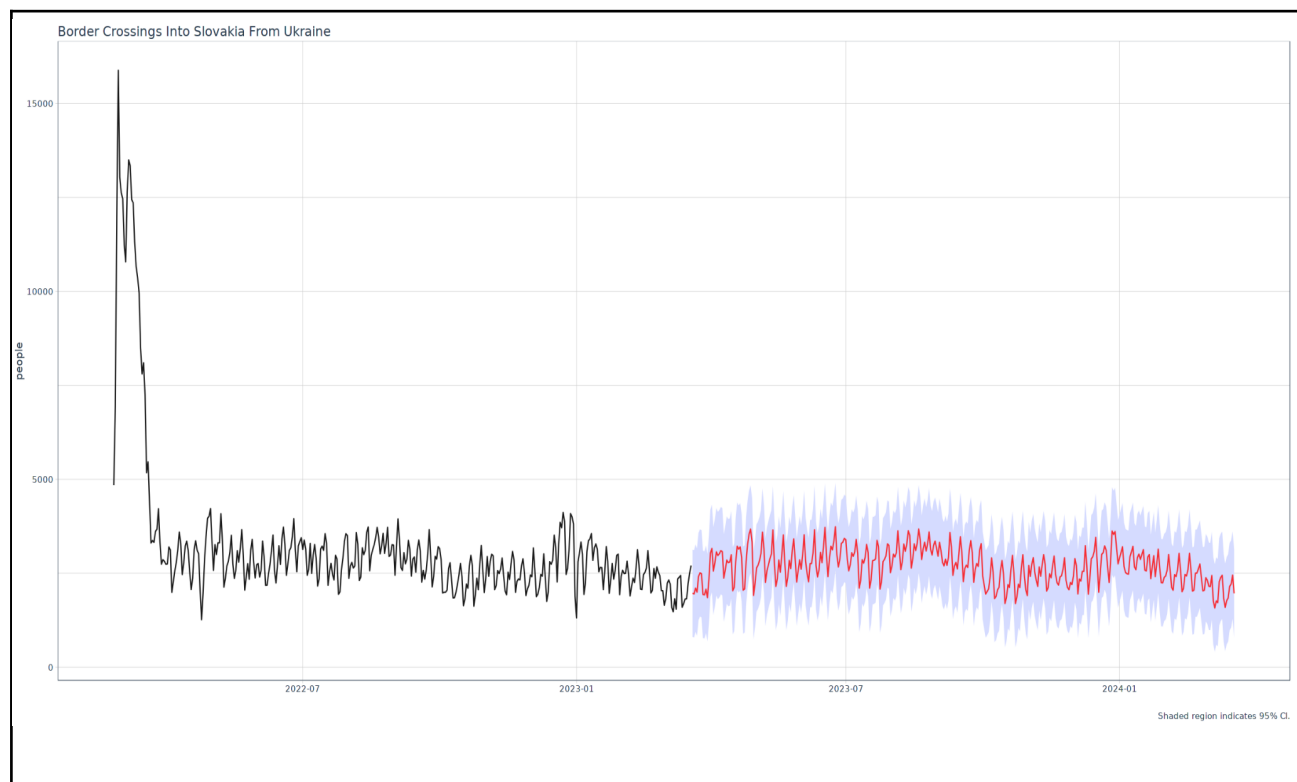


Figure (2): Current and predicted Slovak border crossings from Ukraine


## II. Analysis of the Interest Groups

This chapter analyses the main actors influenced by the migration crisis and outlines the key actions that ought to be taken in order for the integration of the refugees to succeed and promotion of political stability.

### The Influence of Migration on the Slovak Economy

This subsection describes how the refugees influence the state budget, the market for employment and eventually the Slovak employers and citizens.

The increase in public expenses brought about by the influx of Ukrainian refugees has reached 0,2% of GDP in 2022 and 0,1% of GDP in 2023 (IFP, 2023). According to a research conducted by the Institute of Financial Policy, fifteen-thousand Ukrainians have already found employment in Slovakia and another five-thousand are expected to do so in 2023. Assuming that the pace of employment will follow this trend, the Ukrainians will not fill more than a half of job vacancies. However, the Ukrainians remain a valuable mid-term and long-term labour



supply for the labour market which was starving for new forces - in 2021, 92% of Slovak companies reported troubles with finding employees (Weber & Adăscăliței, 2021). Furthermore, it is expected that the increase in public expenses on Ukrainian refugees will be compensated by the tax incomes from the Ukrainians in the mid-term horizon (IFP, 2022).

From the viewpoint of a rational policy maker, the Ukrainians are a valuable source of workforce for the Slovak economy and the Slovak government should ensure that their integration into the labour market is smooth. The Slovak employers should welcome the influx of a new labourforce, because it seems that they are in lack of it.

Furthermore, for the Slovak citizens with low qualifications, this might mean that it will become more difficult to find employment. Generally speaking, with the decrease of real wages - reaching a year-on-year drop of 5% in 2022 (SNB 2023) - an increase of labour force might push the wages even lower.

In response to such a development, it is likely that certain political parties, such as Smer SD or Republika, will use anti-immigration rhetoric in the upcoming early national elections.

### **Key recommendations for a smoother absorption of the refugees into the labour market**


1. The labour market might be facing a mismatch between the geographical preferences of the refugees and the regional job vacancies. A majority of the refugees claimed they preferred to stay in the eastern regions of Slovakia (IOM Slovakia, 2022), whilst it is the western regions that suffer most notably from a lack of workforce (IFP 2023). The government might correct this by an active promotion of the job opportunities in the western region and by helping the refugees cover the initial expenses of moving to a more developed region.
2. The employers ought to take into consideration the demography of the refugees - mostly women with children - and should adjust the form of employment accordingly. Part-time positions, flexible working hours or remote work is more likely to attract a single parent to join the workforce.
3. Even though a majority of the refugees are well-educated, they are more likely to find low-qualification jobs when entering the Slovak labour market. The government should ensure that the refugees have access to language courses and can transfer their certificates and qualifications from abroad more easily.

### **The Influence of Refugees on the Political Stability in Slovakia**

Initially, a majority of Slovaks greeted the Ukrainian refugees with a wave of solidarity (Adamus & Grežo, 2023). However, with the increased spending and the worsening economic situation in Slovakia, more than 70% of Slovaks now believe that the government has done more for the Ukrainians than the Slovaks and a majority of Slovaks believe that the Ukrainian refugees will weaken the Slovak economy (M. Kern, J. Koník, 2023).

The shifting public opinion might prove crucial for the actual policies adopted by the government, especially with the upcoming national parliamentary elections, where the political parties attempt to gain votes by attracting the median voter. However, the government should have an ethical obligation to present the real situation of the refugees





who ran from the war to the Slovak public and regain the momentum of solidarity that has died out.

#### **Key recommendations for ameliorating the public opinion about refugees**

1. The government should invest into a media campaign presenting what war really means for ordinary people.
2. The government should invest into an educational campaign that would explain the long-term benefits of the new labour force and its impact on the economy and state budget, so that ordinary Slovaks understand the potential benefits of successful integration.
3. The government should make a significant investment into education programs for distinguishing disinformation in the media but also, it should tackle the amount of “alternative” media present in the country.
4. The government should promote language and cultural courses to promote a deeper integration of the refugees.


### **III. General Policy Recommendations**

In 2016, Germany implemented one of the most comprehensive and successful integration programs in Europe for the refugees who arrived during the peak of the Syrian crisis in 2015-2016. Slovakia could benefit from the German integration strategy. Yet the integration program should be tailored to the country's unique needs, as Slovakia is different in economic, social, and political context - the key specific recommendations are presented above. Find below the general policy tools recommended to integrate Ukrainian refugees into the Slovak community.

- **Language and Cultural Integration Programs:** According to the Multi Sectoral Needs Assessment conducted by the UNHCR (2022), the majority of Ukrainian arrivals face a language barrier to access healthcare, accommodation, employment and education. The Slovak government should offer language courses to the Ukrainian refugees to facilitate communication with the local community and their integration into the social system and labour market.
- **Access to Education and Healthcare:** Education and healthcare are critical for the well-being of refugees to integrate into the Slovak community. On the other hand, the Slovak public has negative opinions about Ukrainian refugees having free healthcare; thus, the government needs to invest more in such sectors to ensure they can accommodate the additional population.

### **Conclusion**

In conclusion, Slovakia has opportunities and challenges due to the sudden surge of Ukrainian refugees. The Slovak labour market has the potential to be enforced by the




refugees' working age and high education to close the gap. Yet, prejudice against refugees might make it challenging for them to integrate into Slovak society and the government should account for this. The government must also prioritise language and cultural integration programs to address these issues and promote communication and social integration. Concerns regarding the burden on the nation's resources must be addressed, and, in fact, collaboration with interested parties to generate job opportunities is also essential. Although there can be short-term expenses related to integrating migrants, Slovakia's budget and economy will probably benefit in the long run. With the right policies and programs, Slovakia can effectively integrate refugees and reap the benefits of their contributions to the country.



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