DEMOCRACY AND SOCIETY 21.03.2024 | Soňa Muzikárová

Eastern Europe needs a new immigration narrative

CEE governments' hostility toward migrants cannot disguise their need for foreign workers. Politicians must now make a positive case for immigration

Central and Eastern European (CEE) governments have long prided themselves on their tough migration policies. Over the past decades, many of the region's political leaders have focused their efforts on curbing the flow of migrants and asylum seekers, contending that an influx of third-country nationals would undermine social stability, threaten cultural cohesion and even pose a security risk.

For example, in 2015, at the height of the European Union's migration crisis, the four Visegrád (V4) countries (the Czech Republic, Hungary, Poland and Slovakia) vehemently opposed the bloc's refugee-quota system, which aimed to share the burden by allocating a certain number of asylum seekers to each EU country based on population, GDP and other factors. Hungary and Slovakia were among the most vocal critics of the plan, arguing that mandatory quotas were an attack on national sovereignty.

Labour shortages vs. electoral support

To be sure, CEE countries – most notably, Poland and the Czech Republic – welcomed millions of Ukrainians driven out of their homes by the Russian invasion in 2022. But despite this generosity, V4 leaders have continued to take a tough line on migration. Hungarian Prime Minister Viktor Orbán – a self-declared champion of Europe's Christian values – promotes a vision of a homogeneous Hungarian society. Hungary granted refugee status to only 10 individuals in 2022, earning a rebuke from the EU's top court. In Slovakia, Prime Minister Robert Fico's left-populist Smer-Social Democracy party won last year's election by exploiting resentment against Ukrainian refugees. And the region recently stepped up efforts to stop illegal immigration through the Balkans by introducing stricter controls and deploying security forces to patrol borders.

A negative narrative about migrants has helped leaders such as Orbán and Fico consolidate electoral support by playing on voters' fears of otherness, economic anxiety and desire for stability in an unsettled world. But that does not change the fact that the region is facing an acute shortage of skilled workers — a pressing issue on which politicians have remained largely silent.

In fact, CEE countries are increasingly liberalising their immigration rules and procedures to enable the entry and employment of foreigners. In January, Hungary, seeking to attract applicants from third countries, fast-tracked a new immigration law that introduces new short-term guest and skilled-worker visas. The inter-ministerial effort was accompanied by new outsourcing contracts to improve the efficiency of visa processing in countries such as Oman, Qatar and Uzbekistan.

The question is not whether immigration is good or bad, but how it can yield benefits for both destination countries and third-country workers.

Hungary has little choice. With a rapidly aging population, severe labour shortages in the coming years would hamper the government's ambition to become an electric-vehicle (EV) manufacturing hub and defence industrial base. In 2022, China's CATL announced that it would build a €7.3 bn ($7.9 bn) EV battery plant in Hungary, the largest such investment in Europe to date. In 2023, China's BYD shared its plans to open an EV factory in the country — its first in Europe. The German defence contractor Rheinmetall recently opened a new factory in the Hungarian city of Zalaegerszeg, while armoured tactical vehicles are to be produced in the city of Győr. All of these ventures will require sufficient human capital.

The Czech Republic has also sought to attract third-country nationals, including in September 2022, when it simplified the recruitment process for 'critically needed' workers and improved oversight of working conditions for foreigners. Last summer, the country aligned its laws with the EU Blue Card Directive, which governs entry and residence conditions for highly qualified workers from third countries. Meanwhile, in 2019, Poland made it easier for holders of temporary residence and work permits who are pursuing a profession deemed desirable for the Polish economy to acquire permanent residence.

Likewise, the number of foreign workers in Slovakia increased seven-fold between 2013 and 2022, with some manufacturers, such as the British

carmaker Jaguar Land Rover, relying heavily on labour from abroad. And more of these workers are coming from farther away — from, say, India or Kazakhstan, rather than Serbia or Ukraine. But there are still more than 80 000 long-term, unfilled vacancies, especially in the mechanical engineering, automotive, transport, health-care and IT sectors.

The need for reform

The labour shortage is likely to worsen: demand for skills in the industries of the future is only increasing, at the same time as fertility rates are declining and young people are leaving the region to pursue better opportunities elsewhere. To plug these competency gaps, CEE countries must continue to reform their immigration policies. Failure to do so could result in widespread economic pain, as they may miss out on new investments that could generate GDP growth and raise tax revenue.

The question is not whether immigration is good or bad, but how it can yield benefits for both destination countries and third-country workers. Policymakers' primary goal should be to maximise the gains from immigration, which will require consulting with the private sector to continue identifying the skills that are needed. Existing tools, such as the EU Blue Card, have been somewhat successful in addressing labour shortages but would benefit from streamlining procedures and harmonising criteria across the bloc's member states. Moreover, introducing new global skills schemes – especially with non-EU countries – that address current and future labour-market needs could facilitate economic migration while reducing brain drain at home.

CEE governments' performative hostility toward migrants cannot disguise their desperate need for foreign workers. Political leaders must now make a positive case for immigration – publicly and repeatedly – to convince their voters that all will gain from the economic benefits newcomers generate.

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