# The 2004 Enlargement's Influence on the Labor Market in the European Union

Edited by

Jerzy Babiak



Recenzent:

Prof. dr hab. Edward CYRSON

© Copyright by Wydawnictwo Naukowe Instytutu Nauk Politycznych i Dziennikarstwa Uniwersytetu im. Adama Mickiewicza w Poznaniu ul. Szamarzewskiego 89 A, 60-568 Poznań, tel. (061) 829 01 06

ISBN 978-83-60677-12-4

# **Table of Contents**

Introduction	5
Andrew D. ASHER  Differential Citizenship: Negotiating Labor Mobility and State Sovereignty within the EU	7
Waldemar SŁUGOCKI Structural Policy as an Instrument for the Socio-Economic Development of the European Union	13
Jerzy BABIAK  The Experience of Greece, Spain, Ireland and Portugal Regarding How the Situation on Their Labor Markets Transformed Following Their Accession to the European Community	23
Heino NYYSSÖNEN Foreigners, Labour Force and the Decrease in Population. Fragments and Rhetoric from Political Discussion in Finland and Hungary	31
Krzysztof HAJDER  The Influence of the European Union Enlargement of 1 May 2004 on the Extent and Structure of Unemployment	47
Jarosław JAŃCZAK  Open Borders and Labor Mobility of Poles after the Enlargement of the European Union to the East	57
Magdalena KACPERSKA  The Most Important Legal and Institutional Changes in Social Policy and Employment Due to Polish Membership of the European Union	67
Arkadiusz PTAK  The Liquidation of Barriers in the Access to Labour Markets in the Context of Poland's Accession to the European Union	77
Iwetta ANDRUSZKIEWICZ  Women's Position in the Labor Market in Poland Due to the Regulations in the European Union	85
Ryszard BODZIACKI  The Flow of Workers in the Transborder Sense as Exemplified by the Divided Towns of Słubice-Frankfurt/Oder	93
Krzysztof URBANIAK  Election Rights of European Union Citizens Commencing Work outside Their Mother Countries	107
Bibliography	117
Contributors	125

4 Introduction

## Introduction

When the European Economic Community was founded in Rome in 1957 its objective was to provide for the implementation of four freedoms concerning the flow of commodities, services, capital and people. The European Economic Community was made up of six countries, whereas by 2004 the European Union comprised twenty-five countries, including Poland.

The book we present to you now is a result of research conducted by scholars representing three countries and six institutions of higher education. It presents the findings and opinions of the authors on a variety of aspects of the labor market in the European Union, with particular consideration of the consequences of enlargement in 2004.

The publication includes eleven papers. In the first chapter American Andrew W. Asher presents the relationship between the principle of the free labor market in the European Union and the sovereignty of a member state's policy in this respect and points out a possible compromise here.

The level of economic activity in individual countries of the EU, which has a decisive influence on the labor market, significantly depends on the direction and utilization of EU funds. The chapter written by W. Sługocki deals with this issue.

The next two chapters present the experience of selected countries in resolving labor market problems. Whereas J. Babiak discusses the situation in Greece, Spain, Ireland and Portugal, H. Nyyssönen analyzes a similar issue with reference to Finland and Hungary.

The so-called Eastern enlargement in 2004 had a considerable influence on the EU labor market. This problem is discussed in the next two chapters, contributed by K. Hajder and J. Jańczak. The author of the first analyzes the direct influence of Eastern enlargement of the EU on the European labor market. He pays particular attention to the changes in the labor market structure and makes forecasts for the future, especially considering the problem of migration. In the second chapter by J. Jańczak we encounter an analysis of factors that are decisive for labor force migration dynamics. The author emphasizes the importance of the flow of capital from affluent centers to the peripheries on the one hand, and the liberalization of law regulations enabling labor force to move from poor countries to the rich ones on the other.

The two chapters that follow are devoted to the issues of the labor market in Poland. M. Kacperska presents the legal and institutional activities in the realm of policy and employment in the light of Polish membership of the European Union. A. Ptak deals with the same range of subjects analyzing the process of abandoning those barriers in the Polish accession to the EU labor market. In the next chapter I. Andruszkiewicz analyzes the specific nature of the women's labor market. The author refers to legal regulations binding in the European Union and in Poland and presents the situation of women in the Polish labor market against this legal background.

6 Introduction

The book is concluded by a chapter contributed by K. Urbaniak, who analyzes the consequences of the common labor market that emerged. He focuses on the voting rights granted by the institution of European citizenship of EU citizens undertaking work abroad in the countries of the European Union.

Jerzy Babiak

# Open Borders and Labor Mobility of Poles after the Enlargement of the European Union to the East

The problem of Polish economic migration to European Union countries following May 1<sup>st</sup>, 2004 seems to be highly important for several reasons. Firstly, due to demographic factors, Poles are the most significant element of the migrating power of the New Union countries. In addition they have a longstanding tradition of emigration which has created well-developed migration networks, and that, combined with the highest unemployment in the region, has created mass migration. At the same time, as research shows, Poles are the most mobile and emigration-prone nation among the countries of New Europe. All this leads to a question about the nature of the mechanism which generates economic emigration and the factors which influence its shape and directions. The thesis here is that the political decision to opening a labor market increases the cross-border mobility of manpower influenced by pull and push factors much more than geographical proximity, tradition or migration networks.

### Fix 1 and Fix 2 as a theoretical basis of the degree of manpower mobility

Research by James Anderson and Ian Shuttleworth shows two types of organization of cross-border mobility of manpower.<sup>2</sup> In their opinion the present global system is based on a high degree of mobility of capital and goods, but is, at the same time, limited by mobility of manpower conditioned by national borders. There is, however, a distinct division into centers and peripheries with different characteristics. The former demonstrate a high level of economic development with high technological advancement, relatively high labor costs and a surplus of capital. The peripheries, on the other hand, are much less developed which is demonstrated by considerably lower technological development, low manpower costs and a shortage of capital. In a situation of this kind the first solution which ensures the functioning of the system, defined as Fix 1, is an export of the surplus capital from centers to peripheries by means of investment. The attracting factor is labor costs, which ensure the greater competitiveness of goods produced. The peripheries develop but at the same time profit is transferred back to the centers. Fix 2 is based on liberalizing transfer of manpower, which results in the import of its surplus from the peripheries to the centers. The centers satisfy their need for cheap manpower

<sup>&</sup>lt;sup>1</sup> J. Napierała, *Do pracy na Zachód, ale już nie głównie do Niemiec*, "Biuletyn Migracyjny" 2006, No. 8, p. 2.

<sup>&</sup>lt;sup>2</sup> J. Anderson, I. Shuttleworth, *Theorizing State Borders in Capitalism: Spatial Fixes Old and New*, CIBR Working Papers in Border Studies No. 2/2004, pp. 3–4.

necessary for further development, at the same time profit goes from the centers to the peripheries.<sup>3</sup> Fix 1 is limited, among other things, by the high qualifications of workers in the centers and lower qualifications in the peripheries, political instability in peripheral areas, problems with adequately developed infrastructure, and so on. Fix 2 is limited mainly by political decisions concerning legally opening labor markets to foreigners and the behavior of the inhabitants of the receiving country, who can be unfriendly or even hostile.

As defined above, the factor which conditions the functioning of Fix 2 is the opening of borders to the transfer of manpower. In a non-integrated environment liberalization can take on a cyclic form, more relaxed periods of prosperity can be followed by more rigorous regulations in times of crisis.

Before World War I individuals could move relatively freely between countries. This situation changed when the first wave of globalization was stopped by the outbreak of the world conflict and continued into the second half of the 20<sup>th</sup> century. Economic acceleration and the following economic boom in the 1960s and 1970s forced the European center to look for cheap manpower and to encourage people to migrate, mainly from former colonies. So, historically speaking, Fix 2 was substituted by Fix 1. The 1990s, along with creating a single market and establishing free movement of labor were a continuation of this process in a new form.

According to Anderson and Shuttleworth, solutions concerning the labor market in the European Union are currently a combination of Fix 1 and Fix 2. Firstly, they draw attention to the areas and branches of little or no mobility where transfer to the peripheries is very difficult or impossible (e.g. agriculture or services). This will create demand for work in the center. On the other hand, differences in the costs of work, together with an increase in the political and economic stability of peripheral countries, particularly after the last enlargement, will strengthen the processes connected with Fix 1. Likewise the reluctance of some societies of the Old Union countries to accept economic immigrants. On the other hand, considering the future equality of member countries to the rule of free movement of labor, abolition of these restrictions is only a question of time conditioned by the possibility of transition periods.

Iwona Wycichowska distinguishes four groups of factors which encourage migration. They are of economic, technological, demographic and political nature. Additionally, one can point to a group of factors of social and cultural type which determine this phenomenon.

The phenomenon of economic migration which appears in Fix 2 is stimulated by the pull and push mechanism.<sup>8</sup> Pull means, first of all, the demand for manpower in the

<sup>&</sup>lt;sup>3</sup> Ibidem.

<sup>&</sup>lt;sup>4</sup> I. Wycichowska, "Komu w drogę?" – Migracje międzynarodowe – zagrożenie czy zbawienie XX wieku, in: S. Bień (ed.), Historia. Stosunki międzynarodowe. Amerykanistyka, Warszawa 2003, p. 559.

<sup>&</sup>lt;sup>5</sup> Ibidem, p. 561.

<sup>&</sup>lt;sup>6</sup> J. Anderson, I. Shuttleworth, *Theorizing...*, pp. 20–21.

<sup>&</sup>lt;sup>7</sup> I. Wycichowska, "Komu w..., pp. 562-563.

<sup>&</sup>lt;sup>8</sup> See: A. Górny, P. Kaczmarczyk, *Uwarunkowania i mechanizmy migracji zarobkowych w świetle wybranych koncepcji teoretycznych*, Warszawa 2003, pp. 81–84.

economies of the center. It is just this demand, catalyzed by the decision to open up labor markets, which generates directions and forms of migration. Based on networks of families, friends, people employed earlier in a given place, but also on job advertisements and offers of jobs addressed to new social groups, it transfers information about the demand for work of specified characteristics (price, quality, duration, etc.). Push factors are mainly found in the peripheries. When the above mentioned groups of migration factors are analyzed from the point of view of the pull and push theory, the phenomenon of economic migration can be systematized in the following way:

Table 1

Pull and push factors of economic migration in view of migration factors

	Factors contributing to migration					
Kind of influence	economic	technological	demographic	political	cultural	
Pull	<ol> <li>Deficiency of manpower in defi- nite sectors</li> <li>High level of earnings</li> </ol>		<ol> <li>Demographic depression</li> <li>Aging of societies</li> </ol>	1. Political stability	Attractiveness of receiving culture     Openness of receiving culture	
Pull and push		Cheap and easily accessed transport 2. Possibility of keeping in touch with one's country		1. Opening of borders		
Push	High level of un- employment     Low level of earnings		Demographic explosion     High percentage of young people in population	ity	Knowledge of foreign languages     Tradition of economic emigration	

Source: Own paper based on: I. Wycichowska, "Komu w drogę?" – Migracje międzynarodowe – zagrożenie czy zbawienie XX wieku, in: S. Bień (ed.), Historia. Stosunki międzynarodowe. Amerykanistyka, Warszawa 2003, pp. 562–563.

One can include among economic factors: level of unemployment, differences of income, lack of prospects for professional development and, in addition, in the case of people with high qualifications – better working conditions and social status as well as the fact that there are too many of them in underdeveloped, local labor markets. <sup>11</sup> Also the culture of work is very important for economic migrants. <sup>12</sup> A great deal of research on the phenomenon of migration point to technological factors, which lead to the disap-

<sup>&</sup>lt;sup>9</sup> J. Anderson, I. Shuttleworth, *Theorizing...*, p. 12.

<sup>&</sup>lt;sup>10</sup> E. S. Lee, *A Theory of Migration*, "Demography", No. 3, pp. 5–18.

<sup>&</sup>lt;sup>11</sup> K. Iglicka, Free Movement of Workers Two Years after the Enlargement: Myths and Reality, Center of International Relations Reports and Analyses No. 11/06, p. 1.

<sup>&</sup>lt;sup>12</sup> M. Kochanowicz, Dlaczego młodzi Polacy wyjeżdżają na Zachód?, "Gazeta Wyborcza" 12.09.2006.

pearance of mental barriers as being decisive independently from the opening of borders, which facilitates emigration. Demographic factors are connected with generation disproportion between centers and peripheries. Political factors are the level of stability and opening of borders for economic migration. Cultural factors are defined as the openness and attractiveness of the receiving society and the adaptive abilities of the incoming groups.

### The tradition of Polish economic migration

The pull and push factors which have been presented lead one to ask about the dominant element of Poles' motivation to migrate. Research by TSN OBOP shows that for as many as 71% of those questioned working abroad is "a sad necessity" – only 25% regard it as "a joyful chance." Such a disproportion in the answers can be interpreted as a domination of push factors. Migration can be viewed then as a symptom of necessity or alternative. The former mainly concerns people who had problems in the Polish labor market, people of low educational level and poorer qualifications. The latter concerns people of high qualifications who had a job in Poland, but the salary or conditions of work in the new place were much more attractive. 16

It should be noted that Poland is a country with a long tradition of emigration motivated either by political and/or economic reasons. The former dominated in the second half of the 18<sup>th</sup> and the 19<sup>th</sup> centuries. The collapse of the country and partition were rich in uprisings and thanks to them numerous waves of emigrants headed for West European countries. The latter waves appeared at the turn of the 19<sup>th</sup> century and in the inter-war period when about 5.5 million people emigrated from Polish areas.<sup>17</sup>

Polish post-war emigration comprised of three waves. The first was due to World War II and was mainly made up of political activists and soldiers who had fought in the West and could not or did not want to come back to Poland, and also of people who left Poland in the following years. A considerable portion of the Poles settled in Great Britain. There were about 160,000 of them, 25% of whom lived in London. Many remained in France and Italy. Emigration to Germany officially included people of German origin, in fact it was often motivated economically. The second, so called "Solidarity" wave, left Poland as a result of political repression and the economic crisis during the Martial Law period in Poland in the 1980s. Their main destinations were the United States but also West European countries. The third wave, which might be called

<sup>&</sup>lt;sup>13</sup> M. Bunda, Wielki odjazd, "Polityka" 2006, No. 8.

<sup>&</sup>lt;sup>14</sup> See: J. Bijak, D. Kupiszewska, M. Kupiszewski, K. Saczuk, A. Kicinger, *Population and labour force projections for 27 European countries, 2002–2052: impact of international migration on population ageing,* "European Journal of Population" 2006, No. 22.

<sup>&</sup>lt;sup>15</sup> Opinion Polls TNS OBOP made in April 2006 on all-Poland representative group of 1005 people above 15 years.

<sup>&</sup>lt;sup>16</sup> M. Stasiński, *Polski exodus*, "LaVanguarda", 06.07.2006.

J. Bijak, I. Koryś, Statistics or Reality? International Migration in Poland, Central European
 Forum For Migration Research Working Paper No. 3/2006, p. 4.
 D. Baliszewski, Pierwszy polski Londyn, "Wprost" 2005, No. 30.

the EU wave, is a result of the opening of labor markets to citizens of the countries that joined the European Union in 2004.

It should be noticed that in Poland's most recent history, until the 1990s, it was traditionally a country of emigrants with very few immigrants. The effect of this is a Polish diaspora of twelve million (by which is understood people of Polish origin who remain in contact with families in the country or with Polish culture) scattered all over the world. It is estimated that half of them live in the United States, about two million in Germany, one million six hundred thousand in Brazil, one million in France and Canada. The period after 1989 is characterized on the other hand by increasing immigration, particularly from the countries of the former Soviet Union and Asia and, on the other hand, by continued elimination of the barriers which hamper the mobility of Polish citizens – barriers of technological, financial, mental and, first of all, legal nature. At the same time, this long-lasting emigration has led to the creation of migration networks, which facilitate and accelerate further emigration. Inhabitants of particular regions and localities traditionally migrated to particular countries. The opening of labor markets very often create new networks, based on the old ones, but also frequently change the direction and forms of migration.

### Poles in EU labor markets

A quantitative description of the size of Polish emigration in terms of the EU wave causes some methodological problems. The two most important ones concern the length of stay and formal requirements connected with residence – mainly permits and registration.

From the point of view of the length of stay, the presence of Poles in EU labor markets has two forms: migration (territorial dislocation connected with relatively permanent change of address<sup>24</sup>) and incomplete migration (employment abroad, usually short-term, usually in the so-called secondary (subordinate) labor market; as a rule it is typical of a single migrant who intends to join, as soon as possible, other family members — left in the home country<sup>25</sup>). Some researchers divide migrants into two groups: short-term ones who stay in a given place up to one year and long-term ones, who stay abroad for over a year.<sup>26</sup> The survey mentioned below includes both forms and both groups and consid-

<sup>&</sup>lt;sup>19</sup> S. Alscher, *Knocking at the doors of "Fortress Europe"*. *Migration and Border Control in Southern Span and Eastern Poland*, Center of Comparative Immigration Studies Working Paper No. 6/2005, p. 20.

M. Bunda, Wielki odjazd...

E. Kępińska, *Recent Trends in International Migration. The 2005 SOPEMI Report for Poland*, CMR Working Papers No. 2/60, Warszawa 2005, pp. 15–18.

<sup>&</sup>lt;sup>22</sup> J. Bijak, I. Koryś, Statistics or Reality? International..., p. 4.

<sup>&</sup>lt;sup>23</sup> P. Kaczmarek, *Migranci z Polski na unijnym rynku pracy*, "Biuletyn Migracyjny. Dodatek Specjalny" 2006, No. 7, p. 2.

<sup>&</sup>lt;sup>24</sup> Centrum Badań nad Migracjami, www.cmr.uw.edu.pl, 20.10.2006, following: M. Okólski, *Mobilność przestrzenna, Migracje, Imigracja*, in: *Wielka Encyklopedia PWN*, Warszawa 2002.

<sup>&</sup>lt;sup>25</sup> Centrum Badań nad Migracjami, www.cmr.uw.edu.pl, 20.10.2006, following: E. Jaźwińska, M. Okólski (ed.), *Ludzie na huśtawce. Migracje między peryferiami Polski i Zachodu*, Warszawa 2001.

<sup>&</sup>lt;sup>26</sup> I. Wycichowska, Komu w..., p. 564.

ers the description starting from people who are planning permanent settlement in the countries of their employment and ending with holiday or seasonal workers.

When analyzing the formal requirements of residence Martyna Bunda divides people in search of work abroad into those who go countries where a work permit is required and those going to countries which have opened their labor markets. In terms of the first category, in 2005 about one million applications were directed to the Ministry of Labor. In terms of the other category, the number of people staying at that time in Great Britain, Ireland and Sweden has to be estimated. The amount of Poles who started employment in Ireland between May 1<sup>st</sup> 2004 and September 1<sup>st</sup> 2006 is estimated at one hundred thousand. However, for Great Britain, at the same time, 260,000 Poles were registered. As research by the University of Surrey shows, only 64% of Poles declared they had registered on the Workers Registration Scheme. About eight thousand Poles were registered in Sweden. It should be noted, however, that some people whose data is being analyzed, went to these countries earlier and worked there illegally. Opening the labor markets allowed only for the actual situation to be legalized. Krystyna Iglicka estimates that this group makes up about 40% of the present number of workers.

When analyzing the directions and size of migration attention should be paid to the decreasing importance of Germany as a country to work in and the fast growing popularity of Great Britain, Ireland and other countries which made taking up employment easier. The opening of labor markets by three countries in 2004 changed the traditional directions of migration of Poles and stopped favoring Poland's western neighbor. When asked about the place which offers best working conditions in 2005 Poles pointed most often to London 44%, then Berlin 16% and Rome 5.7%. 33

Traditionally Poles have migrated to Germany as seasonal workers. During the socialist period many of them decided to permanently stay there. Consequently the Poles who live in Germany have different social statuses and different ethnic backgrounds starting with ethnic Poles, Silesians, Kashubians, Jews and ending with ethnic Polish Germans. At present, from among 300,000 Poles who start employment in Germany every year, a definite majority of them (unlike in Great Britain and Ireland where a considerable part stays for a longer period) are seasonal workers who go there for the short term. The number of Polish workers in Berlin is estimated to be one hundred thousand per year. These are mainly people who commute to work from Poland. The number of those who live permanently in Berlin is estimated at a few tens of thousands.

<sup>&</sup>lt;sup>27</sup> I. Grabowska-Lusińska, *Irlandia, migracyjny Tygrys*, "Biuletyn Migracyjny" No. 9/06, p. 7.

<sup>&</sup>lt;sup>28</sup> M. Bunda, *Dziura*...

<sup>&</sup>lt;sup>29</sup> Polish migrants survey results...

<sup>&</sup>lt;sup>30</sup> However registration is required only by people working longer than one month; after one year of uninterrupted work this requirement is no longer valid. See: The Worker Registration Scheme webpage.

<sup>31</sup> K. Iglicka, Free Movement of Workers..., p. 4.

<sup>&</sup>lt;sup>32</sup> J. Napierała, *Do pracy na Zachód...*, p. 2.

<sup>&</sup>lt;sup>33</sup> Pentor Opinion Poll, July 2005.

<sup>&</sup>lt;sup>34</sup> E. Morawska, *National Identities...*, p. 172.

<sup>35</sup> M. Duszczyk, *Media pełne bzdur*, "Biuletyn Migracyjny" No. 9/06, p. 2.

<sup>&</sup>lt;sup>36</sup> E. Morawska, National Identities of Polish (Im)Migrants in Berlin. Four varieties, their Correlates and Implications, in: Europeanisation, National Identities and Migration. Changes in Boundary

In the middle of the 1990s Polish emigration to Britain seemed to be declining. The young generation was largely assimilated, the old one was disappearing as a result of natural demographic processes.<sup>37</sup> The opening of the labor markets for the citizens of new member counties after the 2004 enlargement turned out to be a turning point.

As the research of universities in Surrey<sup>38</sup> and Roehampton<sup>39</sup> shows about 22% of the immigrants from Poland they questioned expressed their wish to return home, one third intends to stay in the Isles no longer than three years. They are mostly young people, under 24, lowly qualified, employed in the construction industries or in catering. One third of those questioned has not decided as to their future and do not rule out a longer or permanent stay in case of success. Only 15% declare their wish to stay in the United Kingdom. The remainder do not rule out any option depending on the situation.<sup>40</sup> Most Poles migrating to Great Britain point to unemployment as the main reason for translocation. The others, mostly young and better educated, declare that the career possibilities and easier way of life is their main motivation.<sup>41</sup>

As Michał Grapich notices, the present migration has its own specifics, which is manifested in strong ties with the home country. Research on Polish immigrants in London shows that they have a strong relationship with the motherland. 80% regularly visit Poland, 70% invest in real estate, business and the like. And 60% are satisfied with their stay in Great Britain. Contrary to the post-war emigration, Poles do not now create a united community in the United Kingdom. Divisions apply to both particular waves of migration as well as to differences in status and education.

At the same time it should be noted that Poles are present in (accessible without limitations) the labor markets of eight new member states. The leading countries are the Czech Republic and Slovakia, in which over ten thousand Polish citizens are employed, mainly in the mining industry and in large investments of Western concerns. Since the payment there is lower than in West European countries the question arises about the reasons for this emigration. The answer can again be seen in high levels of unemployment but also in higher levels of medical care and social privileges.<sup>47</sup>

Construction between Western and Eastern Europe, ed. by W. Spohn and A. Triandafyllidou, Routlage 2002, pp. 173, 175.

<sup>&</sup>lt;sup>37</sup> K. Sword, *Identity in Flux – Polish Community in Britain*, London 1994, p. 19.

<sup>&</sup>lt;sup>38</sup> *Polish migrants survey results*, Center for Research on Nationalism, Ethnicity and Multiculturalism, University of Surrey.

<sup>&</sup>lt;sup>39</sup> M. P. Garapich, *London's Polish Borders. Class and Ethnicity among Global City Migrants.*Draft Report, CRONEM Center for Research on Nationalism, Ethnicity and Multiculturalism, p. 6.

<sup>&</sup>lt;sup>40</sup> R. Ford, Jobs Easier to Find as we're White, Poles Claim, "The Times", 18.05.2006.

<sup>&</sup>lt;sup>41</sup> Polish migrants survey results...

<sup>&</sup>lt;sup>42</sup> M. Bunda, *Dziura po emigrantach*, "Polityka" 2006, No. 28.

<sup>&</sup>lt;sup>43</sup> M. P. Garapich, London's Polish Borders..., p. 6.

<sup>44</sup> Polacy nie żałują wyjazdu do Wielkiej Brytanii, "Wprost" 14.09.2006.

<sup>45</sup> K. Sword, *Identity in Flux...*, p. 19.

<sup>&</sup>lt;sup>46</sup> See: J. Pałasiński, *Województwo Londyńskie. Już 300 tysięcy Londyńczyków to Polacy*, "Wprost" 2005, No. 30.

Praca u sąsiadów, eGospodarka.pl, 21.06.2006.

### Effects of economic emigration from Poland to the EU countries

Evaluation of the influence of migration can be considered firstly from the point of view of Poland as a country from which the emigrants come, secondly from the point of view of the countries which opened their labor markets, and thirdly from the point of view of countries which sustained partial or total restrictions.

From the Polish perspective, liberalization of the transfer of manpower by some union states meant both positive and negative phenomena in the economic, social and political spheres.

From the economic point of view the most important advantage of the new situation is reducing unemployment. It can be seen in the fall of the official rate from 20.6% in January 2004 to 14.9% in October 2006. However, when considering high economic growth in the above mentioned period the fall of the unemployment rate is not solely due to economic emigration. What is more, if we consider the size of the shadow economy these figures do not reflect the actual changes. For example, in accordance with the estimates of the Ministry of Labor and Social Policy from September 2006, about one million of the almost three million officially unemployed do not intend to take up any work. There are a lot of people who work mostly in the gray market. Migration, then, means that they leave jobs in their country both registered and non-registered.

The next positive economic effect is the transfer of money earned to the home country, which increases the consumption potential of households and stimulates economic prosperity.

Table 2
Private Money Transfers in USD mln

	Balance	To Poland	From Poland
I quarter 2004	695	846	151
II quarter 2004	839	996	157
III quarter 2004	1158	1333	175
IV quarter 2004	1157	1356	199
I quarter 2005	1158	1361	203
II quarter 2005	1343	1579	236
III quarter 2005	1739	1964	225
IV quarter 2005	1372	1592	220
I quarter 2006	1029	1246	217
II quarter 2006	1184	1422	238

**Source:** *Bilans platniczy Rzeczpospolitej Polskiej za II kwartał 2006 roku*, Narodowy Bank Polski, Warszawa 2006, pp. 22.

Several elements should be included in the negative phenomena associated with these changes: shortage of manpower, first of all in the construction sector, services, seasonal work in agriculture and medical services<sup>49</sup> which slows down economic activ-

Coraz więcej lekarzy opuszcza Polskę, eGospodarka.pl, 14.07.2006.

<sup>&</sup>lt;sup>48</sup> Główny Urząd Statystyczny, *Stopa bezrobocia w latach 1990–2006 (bezrobocie rejestrowane)*.

ity in some regions.<sup>50</sup> In the case of vocational jobs, in addition to the problem of economic migration is the problem of the structure of the system of education – where many vocational schools were closed down<sup>51</sup> – schools which traditionally dominated before 1989. It is a realistic proposition to make it easier for jobs to be taken up by citizens of the poorer states of Eastern Europe.<sup>52</sup> Furthermore a lot of workers from the Czech Republic are seen in southern Poland.<sup>53</sup> On the other hand, economic emigration exerts pressure for salaries to be raised. Problems also appear when it comes to carrying out foreign investment due to a lack of qualified workers or lack of people ready to work for the proposed pay.<sup>54</sup>

When analyzing the social effects of migration it could be noted that, first of all, it is mainly young people who leave the country. In practice this means a serious threat to the pension system and a change in the age structure of the society (due to the scale of emigration) also because it mainly concerns people of reproductive age. This is followed by weakening of family ties, and even their disintegration in marriages where the partners live far away from each other. 55 On the other hand, economic emigration strengthens social capital, skills, knowledge of foreign languages, creates contacts and transfers western cultural patterns and values to Poland and promotes courage and individualism. 56

The political effects of migration are also worth mentioning. Bearing in mind the polarization of the Polish political scene into liberal-free market vs. social-conservative options, those who decide to emigrate are usually the most independent, resourceful, open to new challenges and, in addition, young. They usually make up the electorate of the first option of the two mentioned above.

When evaluating the influence of economic immigration from the New Union countries on the economies of those countries which lifted restrictions one might notice that there are no serious negative elements of this influence<sup>57</sup> and the positive ones are dominant. There was no mass influx of migrants,<sup>58</sup> the illegal work sector diminished.<sup>59</sup> In the case of Sweden one could observe considerably higher migration to other Scandinavian countries in which work permits were demanded.<sup>60</sup> The newcomers adapt rela-

<sup>&</sup>lt;sup>50</sup> M. Okólski, Costs and benefits of migration for Central European Countries, CMR Working Papers No. 7/65, Warszawa 2006, p. 10.

K. Iglicka, Free Movement of Workers..., pp. 6-7.

Due to lack of manpower in agriculture in August 2006 the possibility of taking up this kind of job for three months without applying for permission was introduced. This regulation applies to citizens of Byelorussia, Russia, Ukraine and Germany.

<sup>&</sup>lt;sup>53</sup> Gdzie Polak nie chce, "Rzeczpospolita" 07.09.2005.

D. Walewska, *Dobry pracownik pilnie poszukiwany*, "Rzeczpospolita" 08.09.2006.

<sup>&</sup>lt;sup>55</sup> B. Marczuk, Emigranci wrócą, jeżeli będą reformy. Wyjazdy Polaków za granicę po przystapieniu do UE, "Gazeta Prawna" 16.07.2006.

<sup>&</sup>lt;sup>56</sup> B. Marczuk, *Emigranci wrócą, jeśli będą reformy*, "Gazeta Prawna" 12.07.2006.

Migrants have little influence on the growth of unemployment as they usually take up jobs in regions with lowest unemployment rate and in sectors which are not in the interest of the local manpower. See: *Brytyjskie związki zawodowe bronią migracji*, "Biuletyn Migracyjny" 2006, No. 9.

<sup>&</sup>lt;sup>58</sup> Report on the Functioning of the Transitional Arrangements set out in the 2003Accession Treaty (period 1 May 2004–30 April 2006), Brussels 2006, pp. 13–14.

<sup>&</sup>lt;sup>59</sup> J. Portes, S. French, *The impact of free movement of workers from central and eastern Europe on the UK labour market: early evidence*, Norwich 2005.

<sup>60</sup> Polacy za granicą, "Biuletyn Migracyjny" 2006, No. 7, p. 4.

tively well to the local conditions and their social integration usually does not bring about problems because of their cultural similarity to the local cultures. Considering the level of education of the newcomers they do not usually replace local workers, they rather supplement the shortages in the local markets. This applies to low paid jobs in the construction sector, trade and tourism as well as to sectors where high qualifications are required, e.g. physicians, IT specialists and the like. Expression of the property of the social sectors where high qualifications are required, e.g. physicians, IT specialists and the like.

In the case of countries which preserved restrictions concerning employment of citizens of New Europe, there are problems of both illegal employment and labor force shortfalls in specific sectors. For example, in Germany it was obligatory to employ 10% of seasonal workers in agriculture from the German unemployed. This figure was ultimately to reach 30,000. Until August 2006 only five thousand workers were recruited. Most of them give up work after a short period of employment and their effectiveness is much lower than that of the incoming workers. At the same time it should be noted that Germany issues about 500,000 work permits per year to workers from Central and Eastern Europe.

### **Conclusions**

Summing up the whole problem it should be stated that the European Union is dominated by a mixed system of mobility of manpower, which consists of both Fix 1 and Fix 2 elements. Increased migration is a consequence of political decisions on opening labor markets in conditions of a strong influence of pull and push factors. Traditional forms and directions of migration have been extended by new ones which are beginning to dominate. This phenomenon brings calculable advantages of multiple nature both to countries of emigration as well as countries of economic immigration.

The above analysis encourages asking about the future of migration trends in Poland. Is the present situation a peak of migration, after which the number of emigrants will start to fall and their ratio to the number of workers coming back to Poland will become negative? Or, maybe, this is only the beginning of the trend, which will increase together with the elimination of restrictions by successive EU states.

According to the Pentor opinion poll, in the years 1991–2001 the number of people over 15 who considered the possibility of economic migration to Western Europe fell from 38% to 33%. The ones who dominated in this group were young people from families of low material status who had an open attitude to the world. A similar question asked by the Centrum Badania Opinii Społecznej (Center for Opinion Poll) in April 2005 showed that as many as 40% of young people were considering such a possibility or had already left. In August 2006 already half of those questioned in the age group 18–24 declared having considered leaving Poland in search of work in the coming two years.

<sup>61</sup> L. Maisano, Emigracja zarobkowa Polaków, "Il Sole 24 Ore", 23.09.2005.

<sup>62</sup> K. Iglicka, Free Movement of Workers..., p. 4.

<sup>&</sup>lt;sup>63</sup> J. Napierała, *Do pracy na Zachód...*, p. 6.

<sup>64</sup> Praca w Niemczech po 2009 r., eGospodarka.pl. 24.03.2006.

<sup>65</sup> Pentor-Voice, Pentor-Bus, research November 1991, July 2001.

<sup>66</sup> M. Gignal, Czy emigracja się opłaca?, "Goniec Polski", 16.07.2006.

<sup>67</sup> Research PBS DGA, September 2006.