

Costs and Benefits of Labour Mobility between the EU and the Eastern Partnership Partner Countries

Country report: Poland

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Costs and Benefits of Labour Mobility between the EU and the Eastern Partnership Partner Countries

POLAND COUNTRY STUDY

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The views expressed in this paper are those of the authors, and should not be interpreted as representing the official position of the European Commission and its institutions

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List of Acronyms

CMR – Centre of Migration Research

CSO – Central Statistical Office

EAPs – Eastern Partnership Countries

EEA – European Economic Area

EU – European Union

EU-15 – “old” members of the EU

FDI – Foreign Direct Investments

GDP – Gross Domestic Product

LFS – Labour Force Survey

MLSP – Ministry of Labour and Social Policy

PKD – Polish Classification of Activities

RDS – Respondent Driven Sampling

TFR – Total Fertility Rate

Executive summary

Poland for decades has been and still remains a net emigration country. Particularly during the communist era immigration to the country was an extremely rare phenomenon and this has impacted immigration policy of the country.

However, the **situation in Poland is changing and the country is slowly transforming itself into emigration-immigration country.** The scale of immigration, while not large, has become noticeable whereas the most important role as sending countries play EAPs. The most important country of origin remains Ukraine, which dominates in all categories of entry and stay (temporary stay, permanent stay, work permits, declarations issued in case of the so-called simplified employment procedure).

Poland's recent economic situation was significantly shaped by accession into the EU in May 2004. This is clearly visible in respect of the labour market: post-accession period meant an increase in employment rates and decrease in number of unemployed and, generally, a serious improvement in the labour market situation. Most telling were significant shortages on the labour market in 2006-2007. In the longer term, rapid ageing of the Polish population is expected to influence both labour market phenomena as well as the welfare since 2020 onwards and may impact immigration to Poland (particularly in specific sectors such as low skilled personal services).

Polish migration policy can be described as seriously underdeveloped as compared to Western European standards. This is mostly due to very limited experiences with incoming migrants in the pre-transition period. According to many experts Polish migration policy can be hardly presented in terms of coherent migration doctrine but it constitutes rather a set of ad-hoc measures dedicated to particular groups (with asylum seekers and refugees as the most obvious examples) or particular issues (e.g. seasonal employment in agriculture).

For many years in the post-1989 period the Polish immigration-related legislation was stimulated predominantly by fears of massive and uncontrollable influx from the East (as a consequence of destabilization and economic downturn after the fall of the Soviet Union). In the case of foreign labour the most decisive factor remained the general situation on the labour market: since the very beginning of transition from state governed towards market economy Poland was struggling with an extremely difficult situation on the labour market marked by a very high unemployment rate.

The general approach to immigration started to change only after Poland's accession to the EU (May 2004). Serious improvement of the labour market situation led to significant changes in admission rules and employment procedures in case of immigrants. Poland is among the countries which in recent

years seem to have taken a different route than the majority of other member states of the EU. Poland has decided to liberalize the legislation on employment of third country nationals gradually, which is manifested in facilitation of work permit-issuing regulations on the one hand, and in the extension of the catalogue of foreigner groups allowed to take employment in Poland without the necessity to hold a permit, under certain conditions though, on the other. Most of these changes targeted at least a few of the EAPs.

The most notable example of the recent approach to immigration from the EAPs is the so-called simplified employment procedure introduced in 2006. Just within 2-3 years this opportunity became the entry gate for thousands of immigrants from the Eastern Partnership Countries (over 250 thousand declarations of the readiness to employ foreign worker from the EAPs in 2011 alone). Importantly, the procedure limited originally to several, mostly typical seasonal sectors, has been extended and today it includes a broad range of economic sectors (including highly skilled ones).

Poland is still a net emigration country, however, there are some premises suggesting gradual change in its status towards being an emigration-immigration country. Since 2006 a more or less steady increase in the number of permanent immigrants and persons registered for temporary stay was noted. Importantly, EAP immigration is channelled in a different way than officially registered immigration, comprising relatively high shares of persons coming from the EU-15 countries (often people of Polish descent). In the period 2006-2009 the share of EAP citizens who arrived from abroad and registered for temporary stay above three months equalled to around 40 per cent of the total inflow of foreigners (as compared to 3-6 per cent in the case of permanent immigrants). Ukraine is definitely the most important origin country of temporary immigrants coming to Poland (almost 27 per cent of the total inflow in this category in 2009), followed by Belarus (7.5 per cent), Armenia (2.8 per cent) and Moldova (0.9 per cent).

Officially registered data does not present the full picture of the phenomena. This is clearly recognisable when assessing the scale of cross-border passenger traffic, which is much higher than any kind of migration measure. Additionally, the number of arriving Ukrainians and Belarusians is changing seasonally and along with the changes in business cycle. It may suggest relatively high international mobility between two neighbouring countries in form of temporary or circular labour migration.

The analysis of employment of foreigners in Poland reveals that the scale of the phenomenon is still very limited. Simultaneously a growth trend is observed, particularly as regards seasonal employment based on declarations issued to foreigners (i.e. simplified procedure as mentioned above). The analysis of the nationality of foreigners demonstrates that regardless of employment type, nationals of Ukraine and other EAPs dominate. Employment of workers from other states is

still marginal (except Chinese workers posted to provide services in 2011). On the basis of those trends it is clear that **foreigners are rather interested in taking temporary employment in Poland and they rarely link their future to Polish labour market.**

At the same time **liberalization of work permit legislation and their elimination for specified foreigner groups demonstrated that Polish labour market is capable of receiving employment immigrants and can be attractive as a place of employment for significant groups of foreigners.** This feature is clearly recognizable during the recent economic downturn when decreasing pace of GDP growth is accompanied with rising inflows of foreign (seasonal) workers.

In structural terms, the most important category of immigrants admitted to Poland are persons who undertake employment (labour migrants). The largest group of immigrants constitute EAPs immigrant and particularly Ukrainians. Since 2004 work permits are being issued predominantly for low skilled sectors (agriculture, industry, construction, trade, transportation, hotels and restaurants, and household services) - in 2011 their share was as high as 80 per cent of all work permits issued.

Knowledge of structural features of EAPs immigrants in Poland is seriously limited. The only exception constitutes Ukrainian immigrants who were intensively investigated in a few last years.

In spatial terms, similarly to other EU countries immigrants are mostly drawn to big cities. This is why we observe a strong concentration of EAPs immigrants in Mazowieckie region (with Warsaw as the main immigration magnet), Małopolskie (with Kraków), Śląskie (with Katowice), and Pomorskie (with Gdańsk). In cases of the Ukrainian population there is a clear over-representation in the case of a few regions with relatively weak economic potential but with strong presence of migrant networks (Podkarpackie and Lubelskie). Nevertheless, the most important feature of Ukrainian immigration to Poland is very strong concentration in the Warsaw area.

In structural terms, **Ukrainian immigration to Poland is strongly feminized. Immigrants are young or very young** (but commonly in stable relationships, mostly marriages), and **relatively well educated or even very well educated as compared to the native population** – according to the data available over 25 per cent of them held a university degree. **The majority of Ukrainian migrants (up to 90 per cent) undertake work while staying in Poland, thus the notion ‘labour migrants’ seems particularly fitting.**

The assessment of impacts of immigration from Eastern Partnership Countries to Poland is an extremely difficult task. This is due to a few reasons:

- 1) **scale of immigration is low or very low** as compared to the total labour force; this makes all attempts to build a reasonable counterfactual highly problematic;
- 2) **data on immigrant labour is very limited and imperfect** – e.g. there exists no reliable official data on this issue, public registries contain only basic information, and labour market surveys do not include adjusted samples covering immigrant groups;
- 3) **typical strategies of Eastern Partnership Countries' immigrants involve temporary / circular mobility and employment in the shadow economy** which is difficult to follow on the basis of statistical data.

The presented analysis is based on all available sources including both officially available data as well as those gathered within academic studies on immigration from the East. The most important conclusions are as follows.

Firstly, the **scale of immigration of labour to Poland is very low, but there is some space for future growth** (clearly visible in the time of economic boom but also in the time of economic downturn).

Secondly, so far **immigrant labour force plays rather a complimentary than substitutive role on the Polish labour market.** This is particularly well taken in case of citizens of EAPs. Immigrants tend to fill in the gaps in local and regional labour markets and play a significant role in some secondary labour markets (agriculture, personal services, construction). Additionally they may impact the economic activity of natives – e.g. most of Ukrainian women are employed in Polish households which may translate into higher participation rates of native women. In some cases (particularly household services) there are recognisable early signs of labour market segmentation.

Thirdly, **there are obvious signs of brain waste visible.** Even if EAPs immigrants are on average better educated than natives they are employed mostly in manual occupations, far below their skill levels. This is particularly visible in case of Ukrainian immigrants.

Fourthly, **when assessing fiscal impacts of this kind of immigration one needs to conclude that citizens of EAPs** (with Ukrainians as the best example) **are to be presented as 'ideal' immigrants.** Their participation rates are extremely high and at the same time their consumption of welfare benefits is very low. Thus they do not constitute any burden for Polish state.

Owing to the very limited scope of foreigners' employment in Poland and short history of immigration, any forecast of the scale of their future inflow is an extremely difficult task and should be interpreted with caution. The forecasts concerning demand for foreign workers available have demonstrated that in the forthcoming years we may be dealing with an increased

scale of immigrants' participation in the Polish labour market. Additionally, most of the future flows are expected to originate from EAPs – e.g. according to DELPHI experts, the most intense inflows are to be expected from Ukraine and Belarus, followed by China, medium-intense inflows are expected from other former USSR republics, while low-intensity inflows are expected from EU countries, India, Pakistan, Bangladesh and Turkey (Górny et al. 2010).

One may expect that demand for foreign labour will largely depend on the business outlook and the labour market situation. Available forecasts point to significant fluctuations as regards seasonal employment, mainly of the Ukrainian nationals employed in agriculture and construction sector, and slow growth of permanent employment, to be fulfilled chiefly in services sector. The scale of legal, permanent (in excess of one year) employment by 2020 is going to rise by approx. 30,000 people under the optimistic scenario, or by approx. 10,000 people under the pessimistic scenario.

Generally, it is likely that the scale of inflow will increase in the future as a result of the attractiveness of the EU in general as well as of opportunities created by the Polish economy. That creates challenges for the country in general and for social and labour market institutions in particular. General integration measures (e.g. related not only to refugees or asylum seekers) were introduced into the Polish legal system only in 2011. They would need to be developed in order to avoid social or political problems in the future.

Introduction

Immigration to Poland is a relatively new phenomenon.¹ Moreover, even now, when migrants can relatively easily enter Poland and start a job (regular or in the shadow economy) its scale is still limited, particularly as compared to the Western European countries struggling with massive inflows of foreigners. Thus, the problems of a country receiving immigrants are known mostly from observation of situation in other countries.

However, the situation in Poland is changing. The scale of immigration, not being large, has become noticeable. It is likely the scale will increase in the future as a result of attractiveness of the EU in general as well as of opportunities created by the Polish economy. That creates challenges for the country in general and for social and labour market institutions in particular. A special role in the story play immigrants from the Eastern Partnership Countries (EAPs) which in fact constitute the main group of newcomers.

As compared to immigration to Poland, the scale of emigration from Poland is much larger². Being an emigration country is a role Poland has played for more than 100 years. Recently that process became significant after the accession to the European Union in 2004. Many Poles have emigrated temporarily or for longer periods (whereas ‘permanent’ does not seem to be a proper expression here –people simply do not know when and whether they will come back at all). Public perception is focused on emigration not on immigration. The latter is becoming permanently present in the public debate, however, not being in its very centre, as the emigration is, particularly since EU enlargement.

The presence of immigrants requires institutions. They have to regulate the entire social and economic life of the immigrants. However, in order to regulate we need to know what the real situation is in various areas such as education, health services and, obviously, the labour market. The latter is particularly difficult for analysis since the migrants may tend to work partially or entirely in the shadow market. That leads to many negative outcomes and also means that we do not have appropriate data needed for an analysis of the situation and designing compensatory policies. In such a case it is good practice to assume that even if Poland is different from other countries, at the same time it shares many similarities. Moreover, the similarities are most probably stronger than the differences. Consequently, in some case it is possible to draw conclusions needed for designing policies towards immigrants based on international comparisons.

¹ New in times present in people’s memory. Relatively large inflows of immigrants entered Poland in 16th-18th century.

² However, it is important to note that figures on both immigration and emigration are to a large extent fuzzy (even if reasons for that may differ in case of outflow and inflow).

The goal of our study is different. We have tried to put together and analyse data and other pieces of information available in Poland with respect to immigration from the EAPs. The analysis we present is based on empirical studies and aims at developing the best possible picture for the case of immigration to Poland, with special emphasis on inflow from Ukraine being the most important single origin country of persons incoming to Poland.

The structure of the study is as follows. We start with a short introductory chapter showing recent developments in terms of economy and demography. These kinds of factors seem to influence significantly patterns of immigration as well as absorbing capacities of Polish labour market. Chapter 2 looks at institutional rules concerning inflow from the EAPs, with particular emphasis on newly established simplified procedures. The aim of chapter 3 is to assess in statistical terms both flows as well as stocks of EAPs immigrants in Poland. All possible data sources have been used in order to get relatively appropriate picture of the process. Chapter 4 looks at the impacts of recent inflow from the EAPs with particular emphasis on the labour market related issues. Finally, the concluding part includes a short discussion on future trends in EaP migration.

1. Contextual issues

Poland's accession into the EU influenced many areas of life and significantly shaped the recent economic situation of the country. In fact, according to many experts the transition from state-governed, towards market economy found its symbolic end with Poland's accession into the European Union in May 2004 and this date opened a new chapter in the Polish history. As shown below (Table 1.1) between 2005 and 2008 Poland experienced rapid economic growth marked by over 5 per cent annual GDP growth rate accompanied by significant inflow of Foreign Direct Investment (with accumulated stock of FDI as high as 42 per cent of GDP in 2009). In terms of labour market measures, post-accession period meant an increase in employment rates and decrease in number of unemployed and serious improvement in labour market situation, particularly as compared to pre-2004 period.

Table 1.1. Selected macroeconomic indicators, 2001-2012

Measure	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Real GDP growth	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.1	1.6	3.9	4.3	2.4**
GDP per capita in Purchasing Power Standards (PPS) (EU-27 = 100)	47.5	48.3	48.9	50.6	51.4	52.3	53.8	57.6	61.0	62.0	64	.
Public balance in % of GDP	-5.1	-5	-6.3	-5.7	-4.1	-3.6	-1.9	-3.7	-7.3	-7.9	-5.0	.
General government consolidated gross debt in % of GDP	37.6	42.2	47.1	45.7	47.1	47.7	45	47.1	50.9	54.8	56.4	.
FDI - flows as % of GDP	3	2.1	2.2	5.1	3.4	5.7	5.5	2.8	3.2	2.1	3.7	.
FDI - stocks as % of GDP	22	21.8	24	31.1	31.4	35.1	38.8	32.2	41.5	45.3	41.1	.
Consumer price index in %	5.5	1.9	0.8	3.5	2.1	1.0	2.6	4.2	3.5	2.6	4.3	3.8***
Employment rate (15-64)	53.4	51.5	51.2	51.7	52.8	54.5	57.0	59.2	59.3	59.3	59.7	60.1***
Unemployment rate (LFS)	18.5	19.7	19.3	16.2	15.7	11.5	8.0	6.4	8.2	9.6	9.7	10.4***

no data

* percentage change m/m-12

** forecasted data

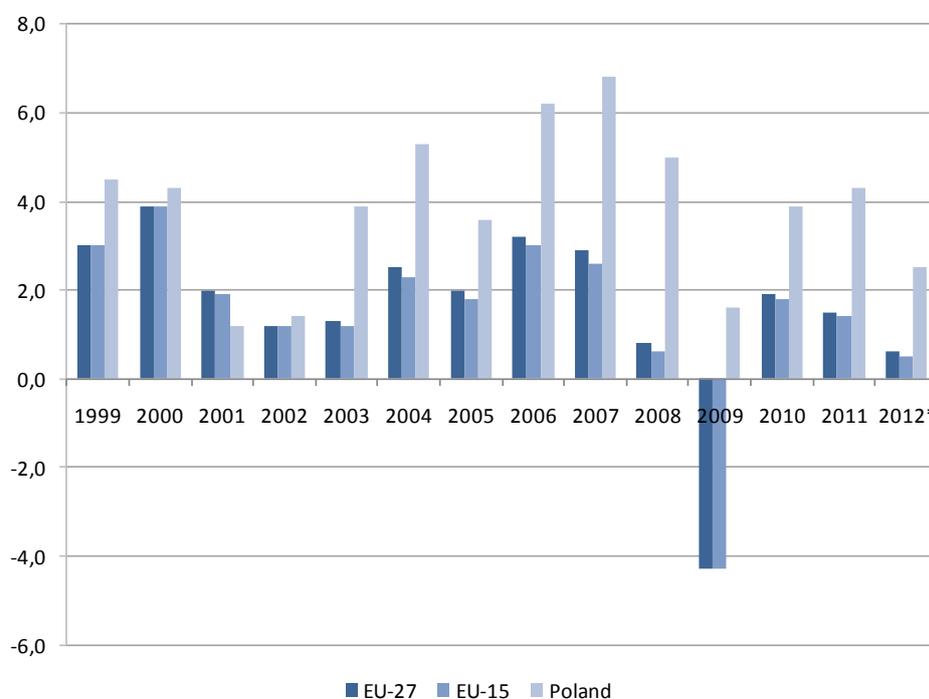
*** as for October 2012

Source: Own elaboration based on Eurostat, CSO and National Bank of Poland data

Importantly, the above described development did not change significantly in the last 4 years, i.e. since the beginning of severe economic downturn in the EU area. Since 2008 most EU countries struggle with severe economic downturn (see Figure 1.1). Economic recession was recorded particularly in the southern European countries

(Greece, Portugal, Spain, Italy), in Ireland as well as a few New Member States (particularly Baltic states). Against this background Poland constitutes an interesting example of country which successfully dealt with the difficult economic conditions.

Figure 1.1. Real GDP growth – Poland, EU15 and EU27, 1999-2012



* forecasted values for 2012

Source: Own elaboration based on Eurostat data.

As shown above, in 2009 Poland was one of a few EU countries with positive GDP growth (1.6 per cent), in 2010 the situation improved much better than in the neighbouring countries, there are also positive GDP forecasts for 2011 and 2012. These relatively positive developments are to be linked with the inflow of the EU funds but also with the performance of Polish entrepreneurs, as well as relatively strong domestic demand. However, there are some serious economic problems faced by the Polish economy with public finances being the most important issue – in 2010 general government consolidated debt (gross) was as high as 54.9 per cent of GDP which means that it was only 0.1 per cent below the precautionary thresholds foreseen in the Polish Constitution (55 per cent³). In 2011 it improved only slightly but still it is to be assessed as an achievement considering the recent global economic climate (Fihel *et al.* 2012).

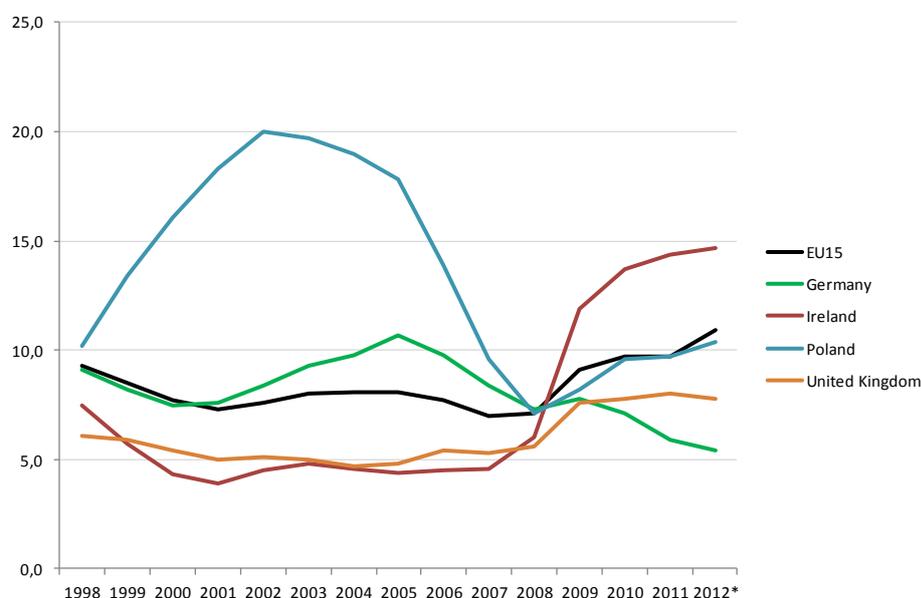
³ In case when real government consolidated debt is higher than 55% it is necessary to provide budget assuming decline in following year as well as to impose special measures concerning public spending.

In the context of this report it is necessary to evaluate 1) demographic developments and 2) situation on the labour market⁴:

In demographic terms the Polish society belongs to the youngest in the whole EU which is to be linked to baby boom of 1950s and its echo recorded in 1970s. However, this situation is changing on a much faster pace than observed before in western European countries along with the dynamics of Second Demographic Transition observed in Poland. Total Fertility Rate (TFR) decreased from more than 2.4 in 1983 to 1.2 in 2003 (similarly to other post-socialist countries) and then increased only moderately (to over 1.4). On the other hand, life expectancy is on constant rise: since 1989 the life expectancy at birth increased by over 5 years for men (to 71.5 years in 2009) and 4.9 years for women (to 80.1 years). This process is to be perceived as one of the major achievements of Poland in the last 20 years, however, when juxtaposed to dramatically low fertility rates it leads to serious changes in the age structure of the population. Ageing of the Polish population is expected to influence both labour market phenomena as well as welfare from 2020 onwards and may – for obvious reasons – impact immigration to Poland (e.g. growing demand in personal services).

One of the main issues which seriously impacted the general perception of Poland as a country of destination was the labour market situation. As shown on the figure below (Figure 1.2) the Polish economy for almost the whole period of transition was marked by a very high unemployment rate, reaching 20 per cent in 2002.

Figure 1.2. Unemployment rate (according to LFS) in Poland and major destination countries, 1998-2012



* Data as for October 2012

Source: Fihel et al. 2012.

⁴ Based on Fihel et al. 2012.

Thus it is important to acknowledge that one of the main outcomes of the post-enlargement economic boom was serious improvement of the situation on the labour market. This trend was particularly well visible until 2007 when the unemployment rate (according to the LFS) fell below 10 per cent. At the same time employment rates started to increase and this was the first time since early 1990s when Poland experienced significant drop in economic inactivity (caused mainly by the structural change in public sector). The 2011 employment rate in Poland was as high as 59.7, still far below the EU average but significantly higher than in the pre-accession period (e.g. merely 51 per cent in 2002-2004). Economic downturn brought an end to the process of mass job creation and impacted negatively unemployment rates. As shown in Table 1.1, since 2008 the unemployment rate is on the rise again and in the end of 2011 it was higher than 10 per cent.

2. Legal framework for inflow of migrants from the EAPs to Poland

2.1. General rules concerning employment of foreigners

The making of Polish immigration-related legislation in the post-1989 period was stimulated predominantly by fears of massive and uncontrollable influx of the citizens of Eastern states, who were expected to attempt to escape their respective countries owing to anticipated destabilization and economic downturn after the fall of the Soviet Union (Anioł 1995). Such an approach clearly favoured the priority of security, while the issue of the employability of foreign nationals and of drawing labour market benefits therefrom were not addressed in the debate about future Polish immigration policy in the newly emerging Third Republic of Poland. Additionally, the situation of the Polish labour market, marked by severe (and rising) levels of unemployment, could be conveniently used by policy makers antagonistic to any intensification of migration streams. Simultaneously, still in 1989 a decision was made to address the issue of the employment of foreign country nationals jointly with the matters of employment emigration of Poles under the act regulating the issues of labour market policy and combating unemployment⁵.

A fundamental amendment to the legal provisions concerning employment of foreign country nationals was carried into effect upon Poland's accession to the European Union⁶. Further changes were made in the years that followed, for example, far-reaching simplification of the legislation concerning work permits for foreign nationals⁷. This covered the elimination of previously extremely bureaucratized procedures regarding work permits, the liberalization of the procedure to carry out the so-called 'labour market test', and an extension to three years for the maximum period for which the work permits are issued.

One of major events in immigration policy-making concerning employment of foreign nationals in Poland was the adoption in 2006 of a catalogue of groups released from work permit-holding obligation⁸. This rule was further modified (and extended) in 2011⁹.

An analysis of the legislation concerning employment of foreign nationals in Poland demonstrates that it divided foreigners into two main categories:

⁵ Chapter 6 of the Act on employment of 29th December 1989 (the Journal of Laws of 1989 No. 75 items 445 and 446).

⁶ The Act on employment promotion and labour market institutions of 20th April 2004 (the Journal of Laws 2004 No. 99 item 1001).

⁷ The amendment to the Act on employment promotion and labour market institutions of 19th December 2008 (the Journal of Laws 2009 No. 6 item 33).

⁸ The Regulation of the Minister of Labour and Social Policy on performance of work by foreigners without a necessity to obtain a work permit (the Journal of Laws 2006 No. 156, item 1116).

⁹ The Regulation of the Minister of Labour and Social Policy on the cases in which the assignment of work for a foreigner in the territory of the Republic of Poland shall be permitted without obtaining a work permit of 20th July 2011 (Journal of Laws No. 155, item. 919).

- citizens of the member states of the European Union, including also citizens of Norway, Iceland, Lichtenstein and Switzerland, who may take employment in Poland without a permit owing to their citizenship,
- citizens of third countries who – as a rule – are obliged to hold a work permit.

In the former case Polish legislation follows directly from European legislation on the free movement of workers. As a member country of the European Union, Poland is obliged both to implement the *acquis* and adjust its legislation accordingly to judgments of the European Court of Justice.

In the latter case the procedure looks in the following way. According to the work permit issuing procedure, a party thereto is a potential employer, who needs to place a job offer for a given position in a Poviats Employment Agency. A work permit is issued by a voivode¹⁰ at employer's request.

Before issuing a work permit, a two-part labour market test is performed. Firstly, the salary offered to a foreign national is examined; this cannot be lower than remuneration for domestic employees performing comparable work or discharging a comparable function. This aims to prevent salary dumping from foreign nationals. Secondly, it is examined whether employment of a given foreign national is not to cause negative impacts on the local labour market, particularly whether it might negatively influence job-seeking opportunities of people registered in a given poviats employment agency. To this end, it is examined whether it is possible to satisfy employer's needs from the register of the unemployed and job-seekers. If such register does not contain a proper candidate but it is likely that such people can be found at a given local market, an additional recruitment for the vacancy notified by an employer is announced. The test-performing body (a starost) informs the permit-issuing body (a voivode) about the performed labour market test within 7 days. However, if additional recruitment of domestic employees has to be performed, this period amounts to 14 days.

The labour market test does not have to be performed if a voivode decides to propose a list (which has to be published in the voivodeship journal of laws) of deficit jobs and types of occupations in the work permit issuing, and a given employer notifies demand for an employee with exactly such skills. The labour market test is also not performed when a voivode issues extension of work permit for the same foreign national and in the same position, or if such solution follows from other regulations (e.g. the work permit is issued for a given foreign national without labour market test if she/he was employed for at least three months pursuant to a declaration with the same employer who applies for a permit).

¹⁰ Official representative of the government at the regional level in Poland (head of the regional government).

Separate legislation governs positions of the members of management boards and posted workers. In their case, however, no labour market test is performed. Simultaneously, remuneration of posted workers is examined for possible dumping. It may not be lower by more than 30 per cent of the average monthly salary in a given voivodeship, as announced by the Central Statistical Office.

Preferences in the access to Polish labour market through application of simplified procedure in the issuing of work permits were also applied to the foreign nationals who either in the period of 3 years preceding filing of the work permit application graduated from a school or high school having its registered seat in the territory of the Republic of Poland or another member states of the European Economic Area or the Swiss Confederation, or in the period of 3 years preceding filing of the work permit application resided lawfully in the territory of the Republic of Poland, and their stay was uninterrupted according to the aliens act.

An analysis of the work permit issuing rules adopted in Poland demonstrates that they can be characterised as liberal and not excessively bureaucratic. The labour market test performance obligation aims to prevent any obvious cases of substitute employment of foreigners in relation to Polish nationals or other foreign nationals who are allowed to take permit-free employment in Poland. This obligation is understandable when considering the situation of the Polish labour market which started to improve only in the post-2004 period. Imposition of starosts of the obligation to report the information about labour market test results within 7 or 14 days seems fully justified. One potential problem concerns the reliability of the registers held by powiat employment agencies, but the period of 14 days should allow for performance of additional recruitment by officials, who should have adequate understanding of the local labour market from the perspective of employee deficits and surpluses. Further, the labour market test rules should not impose limitations on employers. The waiting period for the labour market test results, and then for work permit should not adversely affect recruitment plans or delay the uptake of a given job by a foreign national.

The period for which work permits are issued seems well taken too. The maximum period of three years on the one hand provides employment stability to both an employee and employer, while on the other a given foreign national does not acquire the right of permanent residence with the first work permit.

2.2. Employment in Poland by foreign nationals without obligation to hold a work permit

In the context of this report it is important to note that Poland is among the countries which in recent years seem to have taken a different route to a majority of other member states of the European Union or OECD countries. Poland has decided to liberalize the legislation on employment of third country nationals gradually, which is

manifested in facilitation of work permit-issuing regulations on the one hand, and in the extension of the catalogue of foreigners' groups allowed to take employment in Poland without the necessity to hold a permit, under certain conditions though, on the other. Importantly, these changes targeted at least a few of the EAPs.

One of the categories of foreign nationals who do not have to obtain work permit in Poland are citizens of the Republic of Belarus, the Republic of Georgia, the Republic of Moldova, the Russian Federation, and Ukraine, performing work for a period not exceeding 6 months within consecutive 12 months pursuant to employer's declaration. It can be assumed that in their case Poland decided to introduce facilitations as an element of conscious immigration policy from the perspective of present and future labour market needs. It must be assumed that the elimination of the work permit holding obligation resulted from the labour market situation in their case. In the case of East European citizens the aim was to replenish shortages in labour-intensive sectors, where Polish nationals willing to take such employment are missing. This concerns mainly temporary employment, i.e. only temporary replenishment of shortages in particular local labour markets¹¹.

The procedure is the following: an employer wishing to offer temporary seasonal employment to citizens from the said five East European countries is obliged to submit the relevant declaration to the poviats employment agency. The declaration form can be obtained directly from any poviats employment agency or printed after downloading from any of several websites.

Completion of the data required in the declaration form must be assessed as a straightforward process, not likely to be problematic for anyone knowing who they want to invite and what type of employment they want to entrust to such person. It is required to supply information about the period and place where employment will be performed as well as the type of contract governing such employment, plus the amount of envisaged gross salary. Additionally the declaration shall include the basic personal data of a given third country national required for visa issuing: i.e. full name, birth date, passport number, plus the locality, district and state of permanent residence.

The employer submitting the declaration has also to become acquainted with the legislation concerning residence and employment of foreign nationals in Poland and ascertain that its' staffing needs cannot be satisfied on the basis of the local labour market. In both cases both the knowledge and the undertaken actions in the field of search for employees are not verified and do not require any certificates.

Registration of the declaration in the poviats employment agency does not entail any costs. After registration the declaration has to be supplied to the person to whom it

¹¹ It is necessary to note, however, that the introduction of new regulations concerning so-called seasonal workers were driven purely by pragmatic needs of supporters of one coalition party (i.e. farmers) and the whole legislation process differed significantly from typically observed ones.

was issued. This can be done directly if the person concerned is in Poland, e.g. on a tourist stay and wants to apply for a visa in the country of origin, or by mail.

It is up to the employee to whom the declaration was issued to obtain a visa with work permit. To obtain one it is necessary to meet a procedure stipulated by law. The duration of the procedure depends on both the employee's country of origin and efficiency of a given consular office. In the case of citizens of Ukraine, Belarus, Russia, Moldova and Georgia, the period between filing the application and getting the visa may vary from 7 to 20 days. This period is deemed as unproblematic as concerns undertaking of employment. The registration in the consulate is usually made via Internet, which greatly accelerates the procedure.

The complete procedure from registration of the declaration in a poviát employment agency, through its delivery to a potential employee, to getting a visa and coming to Poland shall take not more than 14-30 days.

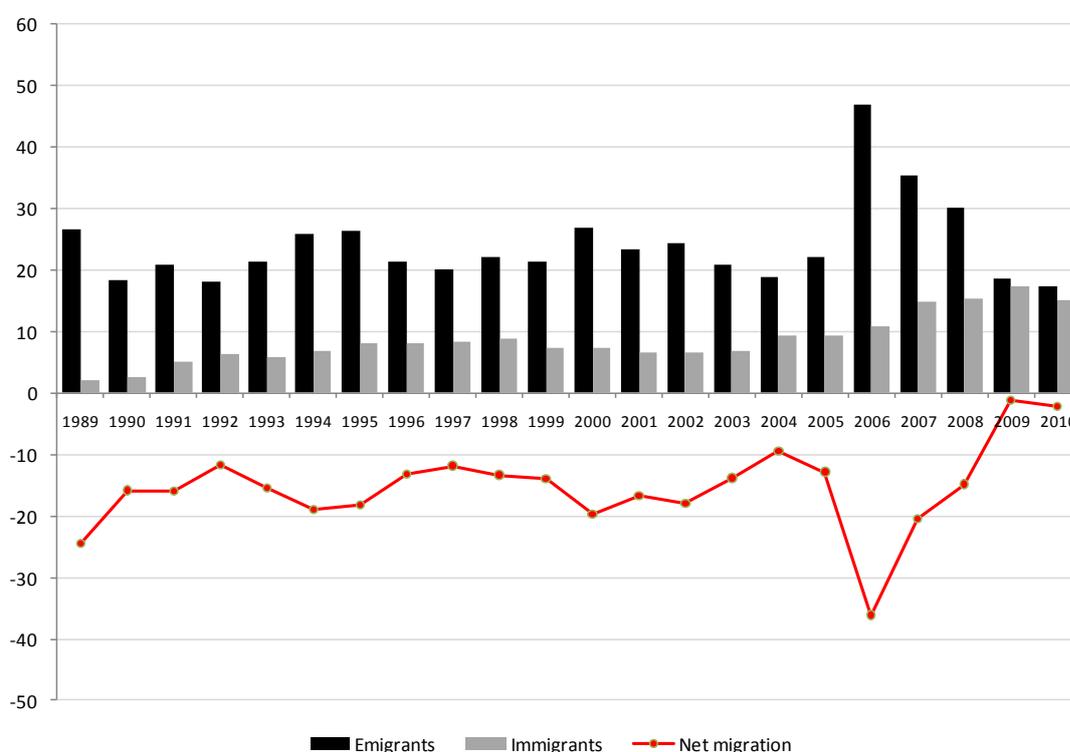
Elimination of the obligation to issue work permits to temporary employees from the said five East European countries was an interesting solution, particularly concerning emigration-immigration situation of Poland and the general stance towards inflow of foreigners. Interestingly (see section 3.3) this ad-hoc measure turned out to be one of the most important 'gates' toward the Polish labour market and its importance is growing even during the time of economic downturn. Simultaneously, introduction of several additional facilitations should be considered. As an example, it should be considered whether now, as the system has been sealed against abuses, the maximum employment period could be extended up to 9 months within 12 successive months. Also a procedure could be introduced to cover with this instrument the citizens of other states, also non-East European ones. It would be also possible to introduce a solution whereby a foreign national hired three times pursuant to a declaration (the combined employment time would need to total at least 12 months) would acquire the right of free access to the Polish labour market, provided he did not breach Polish law as regards employment lawfulness in the period of prior employment.

3. Stocks of EAPs migrants and their structural features

3.1. Immigration to Poland – a general picture

Poland is by no means an immigration country. The entry to the country was seriously blocked for a few decades following the end of the Second World War, and since then emigration from Poland has been far more important (in numerous terms) than inflow to the country. This kind of picture is clear when analysing official register data on emigration and immigration (Figure 3.1).

Figure 3.1. Officially registered emigration, immigration and net migration, 1989-2010



Source: Fihel et al. 2012.

Generally, between 2001 and 2010 as many as 112.8 thousand persons registered in Poland for permanent stay and in the same period the number of emigrants accounted to 258.2 thousand. In a last few years there is a clear tendency visible towards closing the gap between registered emigration and immigration – in 2009 the net migration amounted to -1.2 thousand (number of immigrants – 17.4) and in 2010 to -2.2 thousand (number of immigrants – 15.2 thousand) (Fihel et al. 2012). However, there are several methodological problems with the above data. Firstly, it refers only to those persons who arrived to Poland with an intention to settle (permanent stay) and registered with local administration. Secondly, presented data includes information on both Polish nationals as well as foreign nationals, thus it is

impossible to distinguish between ‘real’ immigration and return migration (see also Fihel et al. 2012).

A much better estimate concerning foreigners residing in Poland is provided by the Central Statistical Office (on the basis of the Labour Force Survey). According to this estimate the number of foreigners (aged 15 and more) varied between 39 thousand (3rd quarter) and 50 thousand (1st quarter) in 2010 and equalled 44 thousand in the 1st quarter of 2011 and 41 thousand in the 2nd quarter of 2011. The number of foreign nationals among persons who arrived from abroad and registered for a temporary stay of above 3 months (including both Polish as well as foreign nationals) equalled in 2009 53.5 thousand with Ukraine, Belarus and Germany¹² of as the most important sending countries (see also Table 3.2).

According to the figures from the Office for Foreigners as of 31st December 2010 almost 100 thousand foreign nationals held valid residence cards. The largest number of residence cards (29 per cent) was issued to Ukrainian nationals.

Last but not least, recently published results of the National Population and Housing Census held from 1st April to 30th June 2011 are worth noting (mostly due to the fact that it was the first one since Poland’s accession to the European Union)¹³. Census data revealed that among permanent residents of Poland almost 99.7 per cent are citizens of the Republic of Poland. 98.1 per cent of the population living in Poland named Poland as the country of their birth¹⁴. Ukrainians were the largest group among foreigners residing in Poland (24.1 thousand), followed by Germans (9.2 thousand), then by Belarusians (7.5 thousand) and Russians (7.2 thousand). Almost one in three foreigners was staying in Mazowieckie voivodeship, followed by Dolnośląskie and Małopolskie voivodeships.

3.2. Flows and stocks of EAPs immigrants

The aim of this section is to present available data on both flows and stocks of EAPs immigrants and put it into broader context of immigration to Poland in order to validate its (eventual) importance. As clearly shown in the previous section, Poland is still a net emigration country, however, there are some indications suggesting a gradual change in its status towards being emigration-immigration country.

¹² In case of Germany a significant of inflowing migrants represent persons of Polish descent.

¹³ The census was performed in buildings, apartments, collective accommodation facilities and other inhabited non-housing premises. It covered people permanently residing (registered) in the territory of Poland regardless whether those people were in the country during the census or stayed abroad plus people staying temporarily.

¹⁴ In case of Poland there is a serious problem with statistics referring to country of birth – at the beginning of 2011 the number of persons stating country of birth different than Poland was as high as 270 thousand but this was mainly due to changes in state borders in the post-war period and the fact that in case of many citizens of Poland born prior to 1939 their place of birth ceased to be part of Polish territory (Fihel et al. 2012).

Table 3.1. Immigrants (total and EAPs immigrants) by country of previous residence, 2006-2010

Country of previous residence	2006	2007	2008	2009	2010
Total	10 802	14 995	15 275	17 424	15 246
EU15	6 792	10 463	10 692	12 751	10 928
<i>Numbers</i>					
Armenia	59	68	65	111	90
Belarus	248	230	222	212	173
Moldova	20	12	10	17	11
Ukraine	682	777	776	609	599
<i>Percentages (Share of total)</i>					
Armenia	0,5%	0,5%	0,4%	0,6%	0,6%
Belarus	2,3%	1,5%	1,5%	1,2%	1,1%
Moldova	0,2%	0,1%	0,1%	0,1%	0,1%
Ukraine	6,3%	5,2%	5,1%	3,5%	3,9%

Source: Fihel et al. 2012.

Table 3.1 shows the officially registered inflow of immigrants in recent years. A more or less steady increase in the number of permanent immigrants is visible which peaked in 2009 with almost 17.5 thousand registered persons. As explained above, a significant part of this inflow constitute persons of Polish origin who returned from abroad. On the other hand, EAPs are by no means important sources of officially registered immigrants – the highest inflows were noted in the case of Ukraine, but even in this case the share of Ukrainian immigrants in the total number of immigrants amounted to 3.5-6.3 per cent and could not be compared to the number of those originating from the EU15 countries.

Table 2 reveals that EAPs immigration is channelled in a different way that officially registered immigration. In the period 2006-2009¹⁵ the share of EAPs citizens who

¹⁵ Data for 2010 should be available shortly.

arrived from abroad and registered for temporary stay above three months equalled to around 40 per cent of the total inflow of foreigners.

Table 3.2. Polish and foreign nationals who arrived from abroad and who registered for temporary stay above three months, 2006-2009

Countries	2006	2007	2008	2009
Total	40 695	46 778	57 560	59 233
Polish nationals	3 061	3 915	4 721	5 648
Foreign nationals	37 585	42 824	52 804	53 552
	<i>Numbers</i>			
Armenia	1 205	1 364	1 650	1 501
Azerbaijan	66	n.a.	86	78
Belarus	3 107	3 306	4 103	4 007
Georgia	107	n.a.	214	215
Moldova	394	748	769	472
Ukraine	10 660	11 370	13 885	14 206
EAPs total	15 539	16 788	20 707	20 479
	<i>Percentages (share of foreign nationals)</i>			
Armenia	3,2%	3,2%	3,1%	2,8%
Azerbaijan	0,2%	n.a.	0,2%	0,1%
Belarus	8,3%	7,7%	7,8%	7,5%
Georgia	0,3%	n.a.	0,4%	0,4%
Moldova	1,0%	1,7%	1,5%	0,9%
Ukraine	28,4%	26,6%	26,3%	26,5%
EAPs total	41,3%	39,2%	39,2%	38,2%

Source: Fihel et al. 2012.

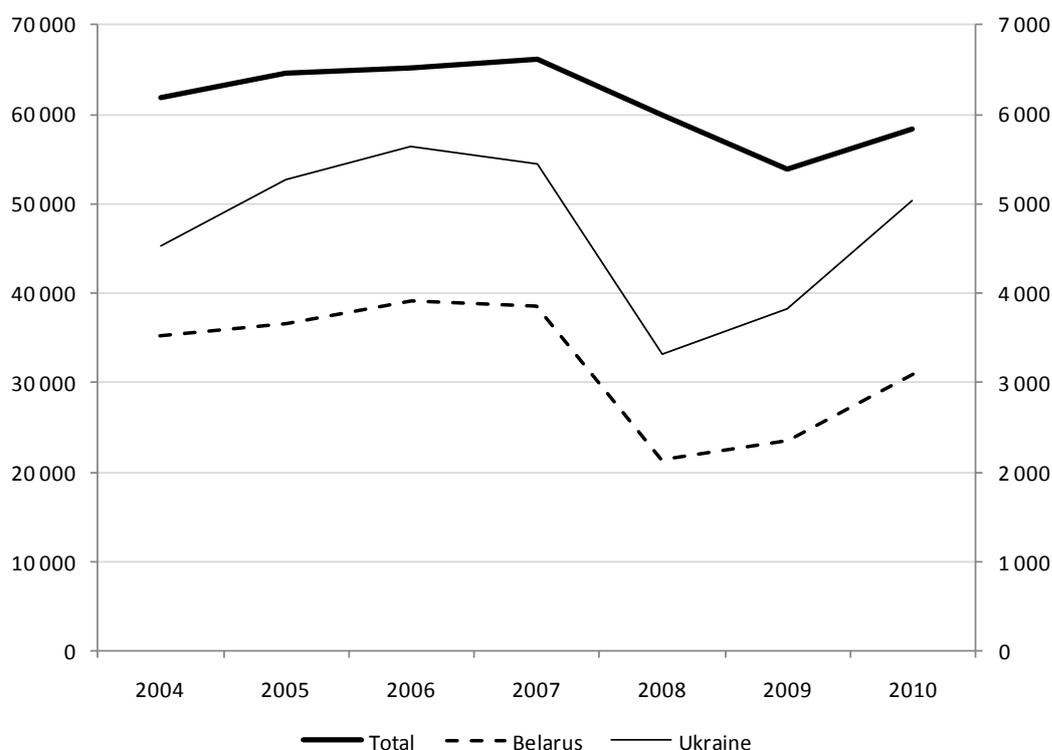
Ukraine is definitely the most important origin country of temporary immigrants coming to Poland – the number of such immigrants increased from 10.7 thousand in 2006 to 14.2 thousand in 2009 (almost 27 per cent of the total inflow in this category). The next most numerous country source is Belarus (7.5 per cent in 2009),

followed by Armenia (2.8 per cent) and Moldova (0.9 per cent). Numbers of migrants originating from Azerbaijan and Georgia were extremely low over the period considered.

As already concluded in the previous section, share of foreigners in the total population of Poland is low (or even extremely low). According to the Central Statistical Office data at the end of 2009 it amounted altogether to 49, 632 persons (with foreign nationality)¹⁶. Out of this number Ukrainian immigrants constituted more than 20 per cent of the total (10, 227 persons). Other important EAPs included Belarus (3 219 persons) and Armenia (1 393 persons). Altogether, number of EAPs immigrants amounted to 15 168 persons and was as high as 31 per cent of the total number of immigrants. When comparing this number to the data on persons who arrived from abroad and registered for temporary stay, the conclusion is straightforward: EAPs immigrants constitute the most important immigrant category in Poland, and, additionally, Ukrainians are the single most important immigrant group.

This point is even better taken when considering not registered flows. Figure 3.2 shows the number of arrivals of foreigners into Poland (please note – this figure refers to arrivals of all kind of categories and not migrants!).

Figure 3.2. Arrivals of foreigners (in thousands) – total (left axis) and Belarus / Ukraine (right axis), 2004-2010



¹⁶ More information on the structure of foreign population should be published shortly along with the official announcement of in-depth outcomes of the 2011 National Census.

Source: Own elaboration based on Fihel et al. 2012.

Obviously, the scale of cross-border traffic is much higher than any kind of migration measure. The data presented above is, however, extremely important in case of those neighbouring countries whose citizens relatively seldom travel to Poland with purely touristic intentions. As shown above the number of arriving Ukrainians and Belarusians is changing along with changes in the business cycle but the scale of this flows is very high – in case of Ukraine it varied between 3.3 and 5.6 million arrivals annually (between 5.5 per cent and 8.7 per cent of the total number of arrivals). It may suggest relatively high international mobility between two neighbouring countries whereas only part of it could be measured officially. The case of seasonal workers and the spectacular success of the so-called ‘simplified procedure’ (see below) may serve as a supportive argument in favour of this thesis.

3.3. Employment of foreign workers – scale of labour migration

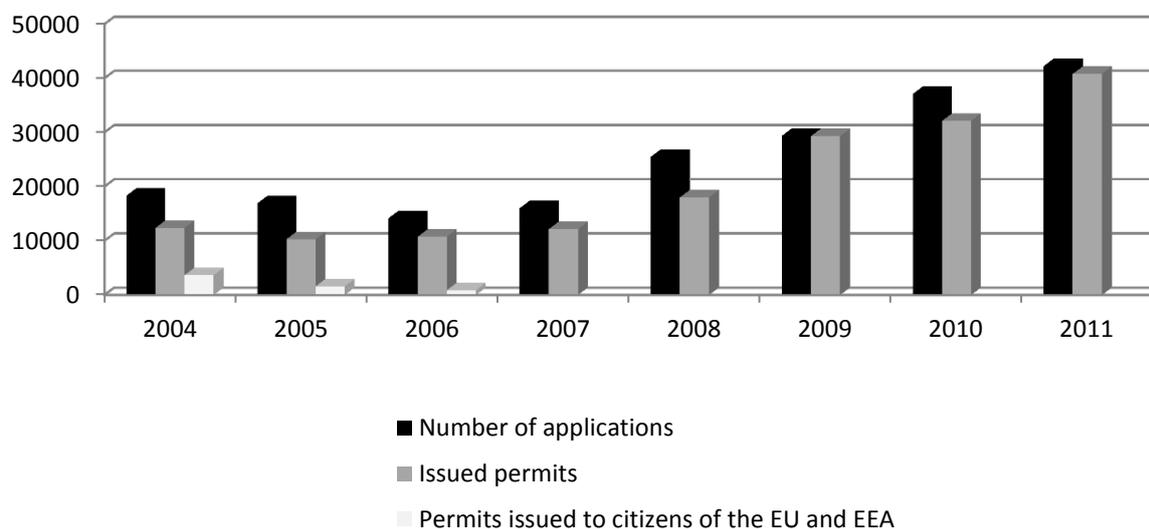
Any analysis of the scale of foreigners’ employment in Poland is highly risky owing mainly to ineffective monitoring system and unknown scale and structure of grey zone employment. The major data sources to draw conclusions upon are the statistics kept by the Ministry of Labour and Social Policy concerning work permits and declarations registered in poviats employment agencies of the intention to entrust employment to foreigners. Unfortunately frequent legislative amendments concerning the permits and declarations, as well as difficulties in the analysis of the employment of foreigners without permit-holding obligation, all adversely influence any analysis being performed, particularly in a longer time perspective.

3.3.1. Work permits

Work permits are the major instruments applied by states receiving immigrants as regards regulations of foreigners’ access to their labour markets (see section 2.1). In the period following Poland’s accession to the European Union, Poland decided to liberalize greatly the legislation concerning issuing of work permits and to expand the groups which are not required to hold such permits¹⁷. This leads to a conclusion that Poland is interested in having foreigners take employment and replenish labour market shortages.

¹⁷The amendment to the Act on employment promotion and labour market institutions, which entered into force on 1st February 2009, and introduction in 2007 of the system of declarations on intention to entrust a foreign national with a job without necessity to apply for a work permit.

Figure 3.3. Number of applications and issued work permits in the years 2004-2011 (including those for citizens of the member states of the EU, the EEA and of Switzerland)



Source: Own elaboration based on the data from the Ministry of Labour and Social Policy (data on temporary employment of foreigners).

Based on the analysis of data concerning work permits it can be ascertained that the scale of foreigner inflow into Poland is growing. A dynamic growth in the number of work permits was recorded in the years 2007-2011. In 2004, when Poland acceded to the European Union, 12,381 permits were issued, and in 2007 the number of issued permits was at a similar level, amounting to 12,153. In 2011 the number went up to 40,808 permits.

It has to be pointed out, however, that owing to the phenomenon of unregistered work, the values concerning lawful employment are the lower limit of the range where the actual size of immigrant stream is to be found. Moreover in connection with Poland's accession to the European Union and elimination of work permits for citizens of the European Union states, the data from mid-2006 onwards¹⁸ are complete and reliable only for third country nationals and therefore it is only for them the emerging trends can be directly followed. However in the case of the analysis referring mainly to citizens of the Eastern Partnership states, this is hardly of any relevance.

This also means that when performing a general analysis of the trends in place, it should be assumed that in the years 2006-2007, owing to elimination from the

¹⁸ In the case of Ireland, Sweden and the United Kingdom this happened already on 1st May 2004; nevertheless those countries are relatively not significant sources of immigration to Poland.

statistics of the citizens of EU member states and of Norway, Iceland, Lichtenstein and Switzerland, the growth in the number of employment immigrants was greater than documented absolute numbers would suggest.

According to the data on work permits in Poland, a decisive majority thereof (approx. 85 per cent in 2004, over 90 per cent in 2011) is attributable to European non-EU states (the states of the Eastern Partnership, the Balkan states) and Asia (mainly China and South-Eastern Asia), with the share of Asia regularly growing, mostly at the expense of North America. Compared to Europe and Asia, in quantitative terms the role of immigration from Americas, Africa and Australia is small.

Nationals of the states comprising the Eastern Partnership are, and will most likely be in the future, an important category of employment immigrants. Poland is definitely the greatest advocate of this covenant and aims at its dissemination, and at liberalization of the movement of persons between those states and the European Union. An analysis of the work permits issued to citizens of those states clearly suggests that their number is growing dynamically. In 2011 they were issued with 21,641 work permits, corresponding to almost 60 per cent of all issued permits (see Table 3.3).

Table 3.3. Work permits issued to nationals of the member states of the Eastern Partnership

Year	Country					
	Ukraine	Belarus	Moldova	Georgia	Azerbaijan	Armenia
2007	3,851	855	971	62	21	304
2008	5,400	1,325	1,218	109	19	441
2009	9,504	1,669	601	143	37	619
2010	13,150	1,958	682	95	45	452
2011	18,523	1,385	1,042	173	53	465

Source: Own elaboration based on the data from the Ministry of Labour and Social Policy.

The states of the Eastern Partnership are also leading the statistics of the number of permits issued to posted workers.

Table 3.4. The number of work permits issued to foreigners posted to Poland for provision of services in the years 2004-2011

Year	Number of permits	Including the greatest number issued to nationals of (numbers in parentheses):
2004	799	Ukraine (155)
2005	847	Belarus (355)
2006	1,309	Belarus (366)
2007	2,645	Ukraine (899)
2008	3,711	Ukraine (921)
2009	3,070	Belarus (726)
2010*	3,566	Ukraine (823)
2011*	3,277	China (1,125)

* In the years 2010 and 2011 the aggregate numbers for C, D and E type permits.

Source: Own elaboration based on the data from the Ministry of Labour and Social Policy.

The data contained in the Table 3.4 demonstrate that in the years 2004-2008 Poland saw regular growth in the number of permits issued to posted workers, while afterwards the situation stabilized. Presently the number of permits issued to this employee group is in the 3-3.5 thousand range.

As regards the number of permits for posted workers, nationals of Ukraine or Belarus prevailed for a long time. Since 2007 there has been also a steady growth in the number of permits issued to Chinese nationals. In 2011 the largest number of permits, namely almost 30 per cent – were issued to employees from China. This was related to the deployment of several infrastructure investments by Chinese companies.

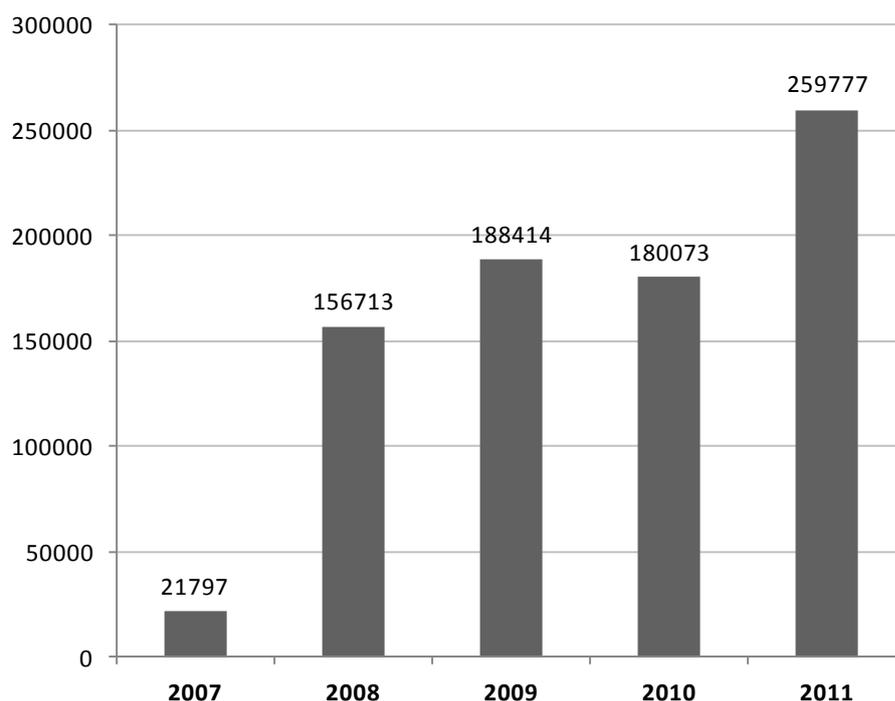
3.3.2. Declarations on intention to entrust a foreigner with a job

As already suggested above, the introduction in Poland of declarations on intention to entrust a foreigner with a job without necessity to apply for a work permit fundamentally changed seasonal employment in the Polish labour market. Since the declaration system came in to, it has been the basis for statistics on temporary employment of employees from Ukraine, Belarus and Russia, since 2009 also from Moldova, and, since 2010, from Georgia.

In the years 2004-2006 the interest of employers in lawful seasonal employment was marginal. The data concerning nationals of Ukraine, Russia and Belarus demonstrate

that the number of citizens of those states employed for up to three months did not exceed 500, while in the case of employment for between 4 and 12 months – 3.5 thousand¹⁹. However, it must be assumed that this employment was actually at least several times higher, being located mainly in the grey zone. Nationals of those states came to Poland on the basis of tourist visas authorizing them to stay for not more than 90 days. They were not allowed to take a job in that period. It must be also assumed that some immigrants decided to stay in Poland although their visas expired, so both their stay and employment became unlawful.

Figure 3.4. Number of declarations issued



Source: Own elaboration based on the data from the Ministry of Labour and Social Policy.

After the declaration system came into force, the number of employees from Ukraine, Belarus and Russia began to rise dramatically. In 2007 21,797 declarations were registered. A year later the number went up to as many as 156,713. In consecutive years the dynamics of the number of registered declaration greatly slowed down, and in 2010 it was lower than in 2009 despite extension of the declaration-submission facility onto nationals of Moldova (2009) and Georgia (2010). In 2011 the number went up again, reaching the value of 259,777 declarations (see Figure 4). The detailed data are contained in the Table 3.5.

¹⁹ Data based on the statistics of the Ministry of Labour and Social Policy.

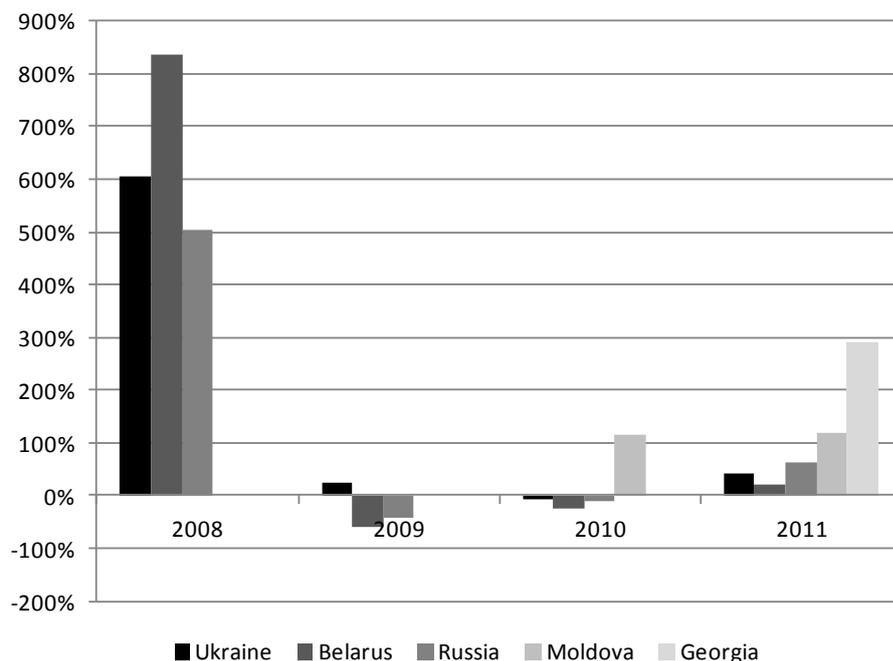
Table 3.5. The number of declarations on intention to entrust a foreigner with a job, by nationality of worker, 2007-2011

Year	Nationality					
	Ukraine	Belarus	Russia	Moldova	Georgia	Total
2007	20,260	1,347	190	0	0	21,797
2008	142,960	12,606	1,147	0	0	156,713
2009	180,133	4,860	674	2,747	0	188,414
2010	169,490	3,623	595	5,912	453	180,073
2011	239,646	4,370	963	13,024	1,774	259,777

Source: Own elaboration based on the data from the Ministry of Labour and Social Policy.

The decisive majority (approx. 92 per cent) of foreigners taking up temporary employment in Poland are Ukrainians (see Figure 3.5). In the last two years there has also been a growth in the number of registered declarations for nationals of Moldova. The employability scale for Russian and Belarusians, as well as Georgians remains at very moderate levels. A decisive prevalence of Ukrainian nationals has been observed since the introduction of the declaration system. They are definitely the group that benefitted most from the system. We deal with a similar situation as concerns work permits.

Figure 3.5. Year-to-year changes (in per cent) in the number of declarations, by nationality (2008-2011)

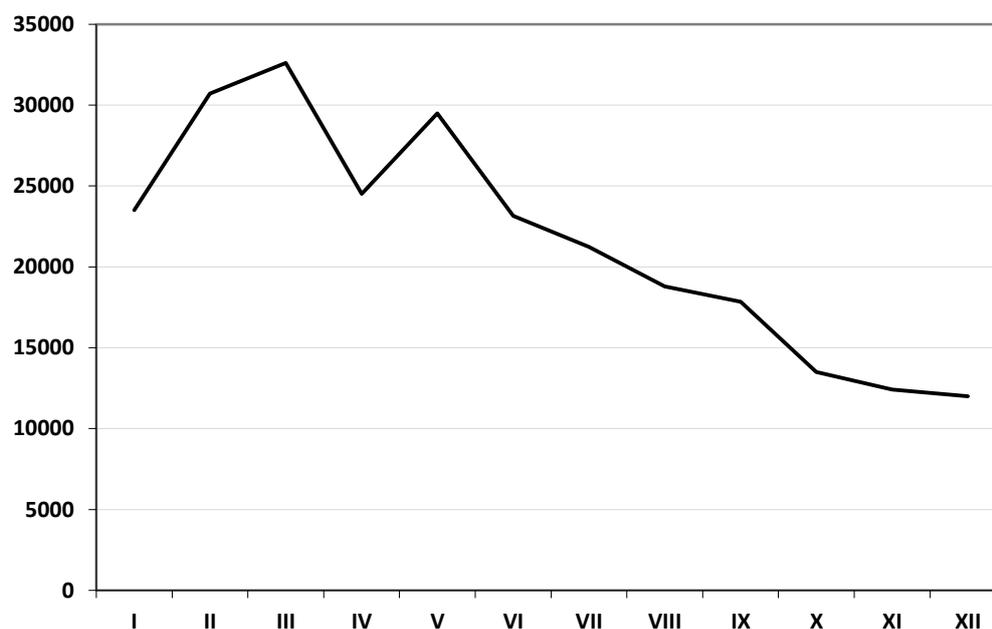


Source: Own elaboration based on the data from the Ministry of Labour and Social Policy.

Data presented above (Figure 3.5) clearly shows that the new regulation concerning inflow of short-term foreign labour to Poland is using as an efficient migration corridor and eventually allows to channel irregular immigration into legal forms of inflow. This is indicated by extremely high rates of change directly after the introduction of the rule – in 2008 in the case of Ukrainians, Belarusians and Russians, in 2010 in the case of Moldovans, and in 2011 in the case of Georgians. Interestingly, the rising trend continues despite of visible signs of economic downturn.

The analysis of the registration of declarations with a breakdown into consecutive months of 2011 demonstrates a notable seasonality of the employment of temporary foreign workers in Poland. The largest number of declarations is registered between February and May, the smallest in autumn and winter months. This follows from the intentions of employers, who are interested in acquiring this type of employee only in specified months, in characteristically seasonal sectors, namely agriculture, gardening and construction.

Figure 3.6. Seasonal pattern of the registered declarations, 2011



Source: Own elaboration based on the data from the Ministry of Labour and Social Policy.

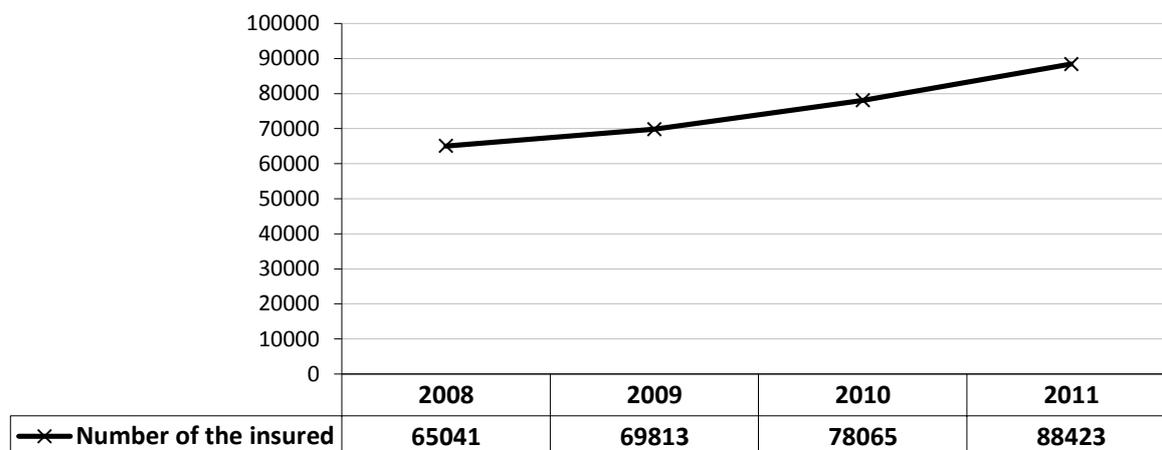
3.3.3. Foreigners' employment (Social Insurance Institution data)

A growth trend in foreigners' employability in the Polish market is corroborated by the data from the Social Insurance Institution (ZUS), according to which the number of people declaring citizenship other than Polish when notifying old-age pension insurance²⁰ has been growing regularly. In 2008 the database of ZUS contained 65,041 registered foreigners, while in 2011 this number rose to 88,423 people.²¹

²⁰ According to the Central Register of the Insured.

²¹ An insured person is featured only once – regardless of the number of the codes of titles they are insured under.

Figure 3.7. Number of the insured people who claimed nationality other than Polish in applications for old-age pension insurance, 2008-2011



Source: Own elaboration based on the Central Register of the Insured (ZUS data).

On the basis of ZUS data one can also analyse the geographic structure of the resources of the foreigners working in Poland. Three groups have the largest representation therein:

- nationals of East European states (Ukraine, Belarus, Russia and Armenia);
- nationals of the largest EU-15 states (Germany and France) ;
- and nationals of the states of Eastern Asia (Afghanistan, Vietnam and China).

Table 3.6. The most numerous nationalities among foreigners coming from third countries registered for old-age pension insurance – as of 31st December 2011

Nationality of the insured	Number of the insured people
Ukrainian	27,659
Afghan	7, 058
Belarusian	5,512
Vietnamese	4,451
Russian	3,558
Chinese	2,929
Armenian	1,697
Turkish	1,674
Indian	1,133

Source: Own elaboration based on the Central Register of the Insured (ZUS data).

In view of the data contained in Table 3.6 the most surprising position is that of the insured persons declaring Afghan nationality. Perhaps this results from presence of Polish military personnel in Afghan and the services provided by nationals of this country to the Polish army which, in turn, might create linkages between Poland and

this country. In the case of other groups we can assume that their shares in the number of the insured are highly correlated with the power of economic ties with Poland, including in particular the presence in the labour market. In this connection the first place occupied by Ukrainian nationals comes as no surprise.

3.3.4. Pursuance of economic activity by foreigners

The information about activities of foreigners in the Polish labour market is complemented by the figures illustrating the scale of their pursuance of economic activity.

According to the data of the Central Register of the Insured of the Social Insurance Institution as of 31st December 2011 – 12,279 foreigners pursued business activity. Among them the largest group was comprised by Ukrainians (2,009 people) and Afghans (986 people). They were followed by Germans (809 people), Vietnamese (763 people) and Bulgarians (736).

3.3.5. Sectoral structure of foreigners' employment²²

In a majority of countries receiving migrant workers, their employment is cumulated in a so-called 'second segment' of the labour market. This means that foreigners take low-paid jobs, with high risk of employment loss and of low prestige, which nationals of the receiving country are reluctant to take. Simultaneously some foreigners are employed in professions requiring very high qualifications, where supply of domestic workers is inadequate.

The analysis of the employment of foreigners holding work permits by sectors accordant with the sections of the Polish Classification of Activities (PKD²³) demonstrates that in 2011 the largest number of foreigners worked in construction, wholesale and retail trade and in households, probably as domestic help. Almost 50 per cent of all work permits were cumulated in those three sectors.

In the case of Ukrainians, who are the largest group among all third country nationals who were issued work permits, two sectors prevailed: construction (29.6 per cent of all employed) and household jobs (20.5 per cent of all employed).

The data concerning employment of foreigners with breakdown into PKD sections demonstrates that we are currently dealing in Poland with the onset of the formation of labour market segmentation, whereby foreigners take mainly simple jobs, while at the same time some of them are present in professions requiring high qualifications.

²² See also section 4.2.

²³ In the forms covered with the studies performed by the Ministry of Labour and Social Policy, the following categories of economic activities are identified: agriculture, hunting and forestry; fishing; mining and quarrying; manufacturing; construction; trade and repair; hotels and restaurants; transport and communication; financial intermediation; real estate activities; education; health and social work activities. Full time strings are available for bolded ones.

While the second segment of the labour market gives employment mainly to nationals of East European states, the first segment hires mainly nationals of OECD countries, but also of China and India. The aforementioned conclusion, concerning in particular employment in the secondary labour market, was corroborated by the analysis of data concerning declarations and foreigners registered for social insurance.

In the case of declarations on intention to entrust a foreigner with a job, i.e. one targeted at Eastern Partnership states, the largest number of them was registered in the sections of agriculture, forestry, hunting and fishing – almost 50 per cent - followed by construction (22 per cent). The data clearly demonstrate that in the case of this form of entrusting foreigners with a job, we deal mainly with their employment in the secondary labour market. This situation has not changed since the system entered into force. In 2008 the agricultural sector was indicated by 49.2 per cent of all employers registering a declaration on intention to employ a foreigner.

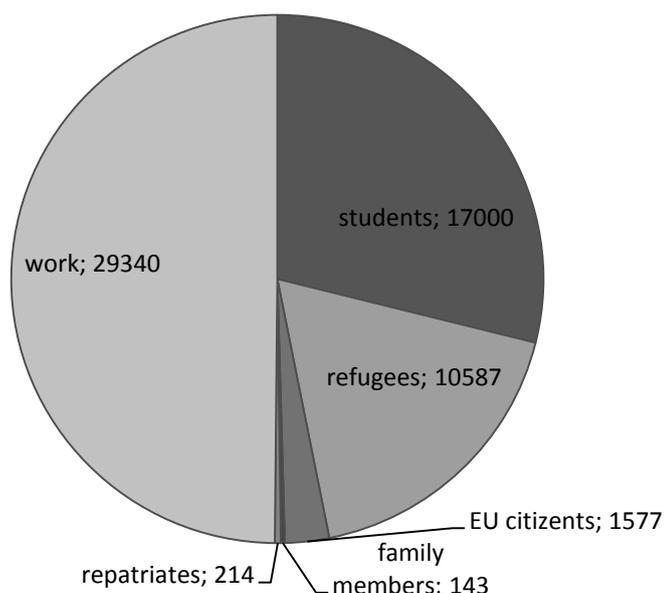
The sectoral structure of the employment of foreigners based on employers' declarations demonstrates strong regional diversification. Agriculture clearly dominates in Lubelskie, Świętokrzyskie, Łódzkie and Mazowieckie voivodeships. In eastern voivodeships there is hardly any employment of foreigners in manufacturing. At the same time employment in agriculture is much more rare in Śląskie, Zachodniopomorskie and Pomorskie voivodeships, where jobs in construction dominate.

3.4. Structural characteristics of EAPs migrants

3.4.1. Structural characteristics of immigrants

Before starting the analysis of the structural features of the EAPs immigration to Poland it is important to put it into broader context through an account of recent inflow of immigrants to Poland. Figure 3.8 shows structure of the inflow in 2009 (this particular year was chosen due to the fact that the data for 2011 is not available yet and the 2010 data reflect to large extent the impact of financial crisis).

Figure 3.8. Main categories of immigrants in Poland, 2009



Source: Fedoryshyn 2011 based on the Office for Foreigners data.

Out of almost 59 thousand legal immigrants in 2009 roughly 50 per cent constituted labour immigrants - according to Central Statistical Office almost 30 thousand of immigrants arrived to Poland on the base of work permits (the majority of them; almost 29 thousand, holding a work permit for above 3 months). Additionally, due to legislative changes introduced along with the EU accession (no obligation to obtain work permit by EU citizens) majority of the foreign workers constituted persons coming from neighbouring countries (also EAPs).

The second largest category was students (almost 30 per cent of immigrants) admitted to the Polish universities. The most important sending countries include Ukraine, Belarus and Norway. Importantly, there is a clearly rising trend visible in the number of admitted foreign students in Poland – in 2006/2007 there were as many as 11.7 thousand foreign students admitted, in 2011 this number reached 20 thousand and in 2012 (November) was higher than 24 thousand or 1.1 per cent of all students admitted (Ministry of Science and Higher Education). This tendency reflects the fact that recruitment of foreign students (with emphasis on the EAPs as sending countries) became one of the most important development strategies of Polish universities.

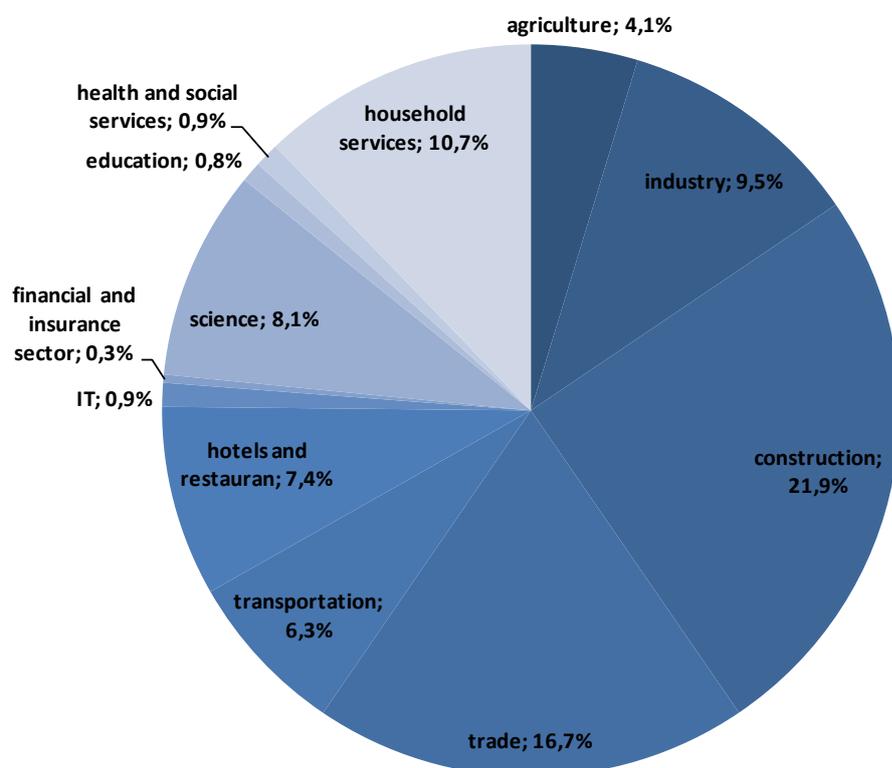
Regarding EAP immigrants, two categories are worth mentioning – the first one includes persons from such countries as Ukraine, Russia and Belarus who immigrated for the purposes of family reunion (family members of persons staying in Poland or foreigners marrying a Polish citizen). The second refers to so-called ‘repatriates’; Polish-origin individuals, who were citizens of foreign countries prior to their return. Repatriates come mainly from Kazakhstan, Russia and Ukraine. Nevertheless, none of these two categories are important (in numerous terms) for the analysis of labour market impacts of immigration.

All in all, there are three important conclusions to be drawn from already presented data. Firstly, the most important category of immigrants admitted to Poland are persons who undertake employment (labour migrants). Secondly, the largest group of immigrants constitute Ukrainians. Thirdly, in the last few years seasonal migration became the most important form of inflow through the simplified procedure (declarations) legislation. Therefore the following sections will look at: 1) the structure of employment of persons holding valid work permit; 2) the structural characteristics of Ukrainian immigrants and 3) the structural characteristics of those who were using the simplified procedure in order to get access to the Polish labour market.

3.4.2. Legal employment of EAPs immigrants in Poland

Figure 3.9 and Table 3.7 present structure of legal employment of foreigners admitted in 2011 on the basis of valid work permit. Total number of work permits issued amounted to around 41 thousand, out of them over 22 thousand (54 per cent) were issued to EAPs immigrants.

Figure 3.9. Structure of employment according to work permits, 2011



Source: Own elaboration based on the Ministry of Labour and Social Policy data.

The main sectors of employment in the case of foreigners holding work permits constituted construction (almost 22 per cent of the total) followed by trade (17 per

cent), household services (11 per cent) and industry (10 per cent). Since 2004, i.e. Poland's accession into the EU and related changes in legislation concerning obligations to having work permits in case of the EU citizens, work permits are being issued predominantly for low skilled sectors (agriculture, industry, construction, trade, transportation, hotels and restaurants, and household services). In 2011 their share was as high as 80 per cent of all work permits issued (see table below).

Table 3.7. Sectors of employment according to work permits issued, EAPs, 2011

	Number of work permits issued	agriculture	industry	construction	trade	transportation	hotels and restaurants	IT	financial and insurance sector	science	education	health and social services	household services
Total	40808	4,1%	9,5%	21,9%	16,7%	6,3%	7,4%	0,9%	0,3%	8,1%	0,8%	0,9%	10,7%
Armenia	457	0,7%	2,0%	8,8%	51,6%	2,4%	7,4%	0,2%	0,7%	2,2%	0,2%	0,7%	12,0%
Azerbaijan	55	3,6%	5,5%	10,9%	41,8%	1,8%	20,0%	0,0%	0,0%	7,3%	1,8%	0,0%	0,0%
Belarus	1725	0,5%	3,2%	14,7%	9,3%	41,0%	1,0%	2,5%	0,2%	3,1%	0,7%	0,3%	3,2%
Georgia	157	6,4%	5,1%	40,8%	7,0%	3,8%	10,2%	0,6%	0,6%	8,9%	0,0%	0,0%	7,0%
Moldova	1017	4,4%	9,5%	24,7%	1,7%	22,4%	0,8%	0,1%	0,0%	10,7%	0,1%	0,0%	11,8%
Ukraine	18669	6,3%	9,1%	29,6%	6,8%	6,9%	2,3%	0,3%	0,1%	7,6%	0,3%	1,3%	20,5%

Source: Own elaboration based on the Ministry of Labour and Social Policy data.

The structure of employment of EAPs immigrants is generally consistent with the general pattern of labour migration. However, there are several peculiarities worth noting:

- 1) The most important migrant sending country is Ukraine (almost 46 per cent of all work permits issued).
- 2) On the other hand, number of work permits issued to citizens of Georgia and, particularly, Azerbaijan was extremely low (0.4 per cent and 0.1 per cent respectively).
- 3) In case of Armenia the most important sectors include trade and household services. This is the only EAP country with so large share of persons employed in trade sector.
- 4) Azerbaijanis (considering their low number) prefer trade, hotels and restaurants, and construction. Relative importance of scientific sectors is largely a statistical artefact (only 4 work permits issued).
- 5) Immigrants from Belarus tend to concentrate in transportation (this is the most important characteristic of this nationality), construction and trade.

- 6) Georgians are employed mostly in construction sector, the second most important sector comprises restaurants.
- 7) Immigrants from Moldova and Ukraine represent the most diverse structure of employment/
- 8) Moldovans are employed predominantly in construction, transportation, household services and scientific sector.
- 9) Ukrainians are recruited mostly to construction (almost 30 per cent) and household services (over 20 per cent) with a two-tier gender-structured labour market clearly visible.

Table 3.8. Structure of employment according to work permits issued, EAPs, 2011

		Skill level (selected groups)			Period of employment			
		Professionals, experts	Qualified workers	Unqualified workers	< 3 months	3 - 12 months	1 - 2 years	over 2 years
Total	36189	6,3%	32,9%	15,5%	0,7%	70,7%	24,4%	4,2%
Armenia	434	5,1%	29,5%	9,4%	0,2%	53,2%	37,6%	9,0%
Azerbaijan	47	6,4%	40,4%	0,0%	0,0%	68,1%	27,7%	4,3%
Belarus	1350	3,9%	38,3%	4,6%	0,3%	50,9%	45,2%	3,6%
Georgia	154	4,5%	38,3%	12,3%	0,6%	70,8%	27,3%	1,3%
Moldova	977	0,6%	36,6%	23,6%	0,5%	73,7%	20,9%	4,9%
Ukraine	17352	1,4%	35,8%	24,2%	0,4%	72,5%	22,7%	4,4%

Source: Own elaboration based on the Ministry of Labour and Social Policy data.

Most of the EAP immigrants constitute workers (qualified or not). The highest share of unqualified workers was noted in case of immigrants from Moldova and Ukraine. Considering scale of the inflow from both countries it clearly indicates Polish labour market needs. Majority of immigrants holding work permits constitute short-term migrants, i.e. persons staying in Poland between 3 and 12 months. Share of such migrants is predominant in case of Ukraine and Moldova. Interestingly in the case of Armenian and Belarusian immigrants, a relatively large group of immigrants were admitted for the period up to 2 years (in the case of Armenians some were extended beyond 2 years). This feature is to be closely related to sectors of employment of migrants originating from these countries (trade and transportation).

3.4.4. Persons admitted on the basis of simplified procedure

As shown above, since introduction (in 2006) the new legislation concerning seasonal employment in Poland on the basis of declarations issued by future employers, this particular form of employment became the main entry gate for migrants from the EAPs. Therefore it is important to follow selected characteristics of seasonal migrants collected by Polish local labour offices²⁴.

Table 3.10 presents structural characteristics of seasonal workers from Ukraine who applied for declaration between 2007 and 2011. Contrary to other data sources, this particular data reveals relatively higher share of male migrants (particularly in 2007 when the share of persons employed in the construction sector was the highest). The next feature is relatively high (and slowly rising) share of young migrants (aged 26 years or less), while the dominant category constitute migrants aged 26-40 years (almost 50 per cent in 2007, 45 per cent in 2011). Regarding sectors of employment, the highest number of seasonal workers from Ukraine is employed in agriculture (between 31 and 64 per cent). The next important sectors include construction (the importance of this sector was decreasing but in 2011 the share again returned to over 20 per cent of all Ukrainian seasonal workers) and other (IT, experts employed in financial sector).

²⁴ It is important to note that there is no validation mechanism responsible for testing whether information provided is correct. This refers both to socio-demographic characteristics as well as to sector of employment. This feature is a subject of scrutiny of Polish administration at the moment.

Table 3.10. Structural characteristics of Ukrainian seasonal workers, 2007-2011

	Characteristics	2007	2008	2009	2010	2011
Sex	% of women	39,3%	48,5%	49,3%	46,0%	43,6%
Age	% of persons aged < 26	15,7%	17,1%	20,2%	21,6%	23,3%
	% of persons aged 26-40	48,2%	46,2%	45,9%	45,1%	44,6%
	% of persons aged 41-65	34,5%	36,3%	34,5%	33,1%	31,9%
Sector of employment (in %)	agriculture	31,3%	51,8%	66,4%	63,6%	52,8%
	construction	24,6%	14,3%	9,8%	10,4%	21,3%
	private households	6,0%	5,3%	4,7%	3,7%	4,6%
	trade	3,3%	2,3%	1,7%	1,2%	1,6%
	industry	13,4%	6,2%	3,3%	3,2%	5,2%
	transportation	2,9%	2,4%	1,3%	1,5%	1,8%
	restaurants and hotels	3,0%	2,2%	1,8%	2,0%	1,5%
	temp agencies	4,8%	6,9%	6,0%	5,8%	n.a.*
	other	10,0%	8,3%	5,9%	8,4%	11,2%

* data for temporary work agencies were not collected for 2011

Source: Own elaboration based on the data provided by the Ministry of Labour and Social Policy.

In the case of Belorussian seasonal workers the share of women is even lower than in case of Ukrainians and this is to be explained by relative importance of transportation as a sector of employment. The share of persons aged below 26 years is relatively high (between 20 and 30 per cent) but almost 50 per cent of migrants constitute persons aged 26-40 years. The most important features relate to sectors of employment: Belarussian seasonal workers are employed mostly in transportation (around 25 per cent in 2010 and 2011) and construction (almost 50 per cent in 2007, over 20 per cent in 2011), i.e. clearly masculine sectors of economy. There is a growing number of Belarussian experts or professionals employed on the basis of simplified procedure (over 20 per cent of the total in 2011).

Table 3.11. Structural characteristics of Belorussian seasonal workers, 2007-2011

	Characteristics	2007	2008	2009	2010	2011
Sex	% of women	19,3%	28,2%	43,3%	31,1%	32,9%
Age	% of persons aged < 26	30,2%	23,9%	20,0%	19,5%	21,7%
	% of persons aged 26-40	44,1%	47,1%	49,7%	50,4%	49,3%
	% of persons aged 41-65	25,5%	27,2%	29,6%	29,6%	28,6%
Sector of employment (in %)	agriculture	5,9%	23,9%	35,8%	23,0%	14,0%
	construction	46,7%	26,2%	12,9%	12,3%	20,7%
	private households	1,6%	5,0%	6,8%	4,7%	3,0%
	trade	4,1%	11,5%	12,1%	8,5%	5,4%
	industry	15,0%	7,2%	3,6%	6,0%	4,7%
	transportation	10,5%	9,1%	11,3%	24,2%	25,9%
	restaurants and hotels	3,7%	3,8%	6,1%	7,1%	6,1%
	temp agencies	1,8%	3,4%	1,8%	2,5%	n.a.*
	other	11,3%	7,9%	9,2%	12,5%	20,3%

* data for temporary work agencies were not collected for 2011

Source: Own elaboration based on the data provided by the Ministry of Labour and Social Policy.

As shown below, Moldavian seasonal workers constitute the most feminized group (however the share of women is still below 50 per cent). It is also marked by a very high share of young migrants (almost 40 per cent of all seasonal migrants from Moldova were younger than 26 years) and the size of this group was only slightly smaller than of the persons at mobile age.

Table 3.12. Structural characteristics of Moldavian seasonal workers, 2009-2011

	Characteristics	2009	2010	2011
Sex	% of women	35,2%	48,6%	46,6%
Age	% of persons aged < 26	32,0%	37,2%	39,2%
	% of persons aged 26-40	44,2%	42,4%	42,5%
	% of persons aged 41-65	23,5%	20,4%	18,3%
Sector of employment (in %)	agriculture	29,5%	12,3%	9,7%
	construction	30,9%	31,9%	34,9%
	private households	1,5%	3,0%	2,6%
	trade	2,2%	1,8%	2,0%
	industry	12,9%	8,0%	17,8%
	transportation	1,4%	1,9%	2,0%
	restaurants and hotels	1,6%	7,7%	3,3%
	temp agencies	12,7%	15,5%	n.a.*
	other	7,4%	17,9%	27,7%

* data for temporary work agencies were not collected for 2011

Source: Own elaboration based on the data provided by the Ministry of Labour and Social Policy.

Moldavian seasonal migrants are employed predominantly in construction (almost 35 per cent in 2011), industry and agriculture. Interestingly, the agricultural sector responsible for almost 30 per cent of the total inflow in 2009 is losing its importance (less than 10 per cent in 2011) which may indicate that migrants from Moldova are trying to get access to other, more beneficial sectors. Indeed, in 2011 a relatively large number of declarations recorded was related to professional and expert activities (sector: other)

Table 3.13. Structural characteristics of Georgian seasonal workers, 2010-2011

	Characteristics	2010	2011
Sex	% of women	32,2%	42,6%
Age	% of persons aged < 26	17,0%	19,0%
	% of persons aged 26-40	45,7%	48,0%
	% of persons aged 41-65	37,5%	32,8%
Sector of employment (in %)	agriculture	24,9%	17,4%
	construction	15,2%	30,1%
	private households	0,7%	1,2%
	trade	0,0%	8,7%
	industry	15,0%	9,1%
	transportation	9,9%	3,7%
	restaurants and hotels	3,8%	2,0%
	temp agencies	11,9%	n.a.*
	other	18,5%	27,8%

* data for temporary work agencies were not collected for 2011

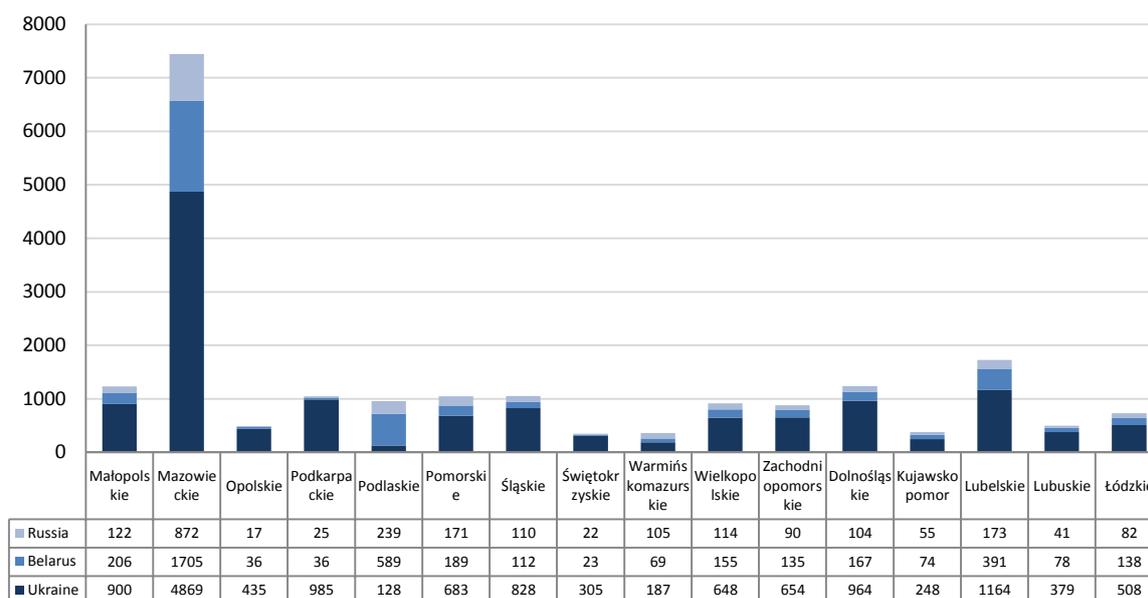
Source: Own elaboration based on the data provided by the Ministry of Labour and Social Policy.

Citizens of Georgia can benefit from the simplified procedure since 2010 and the number of declarations issued grew significantly since then. Georgian seasonal workers are mostly men (however, share of women increased in 2011) and are generally older than other EAP seasonal migrants (almost 33 per cent of migrants aged 41-65 years). The most important sectors of employment include construction (30 per cent) and agriculture (15 per cent). Similarly to Moldavians, in 2011 the role of agriculture was much smaller than before in favour of other sectors, particularly described as 'other' (in case of Georgian migrants mostly IT specialists).

3.4.3. Structural characteristics of Ukrainian migrants in Poland

As clearly shown above, Ukrainians constitute the most important category – both with respect to the EAPs as well as the overall picture – of immigrants to Poland. This is explained by the developmental gap between Poland and its eastern neighbour, geographical location, cultural similarities and, last but not least, due to long lasting and strong migrant networks. The last feature is clearly identifiable when analysing spatial distribution of immigrants in Poland.

Figure 3.10. Spatial distribution of persons who arrived from abroad registered temporary stay above 3 month; Belarus, Russia and Ukraine, by region (2009)



Source: Fedoryshyn 2011.

Similar to other EU countries immigrants are mostly drawn to big cities. This is why we observe a strong concentration of EAPs immigrants in Mazowieckie region (with Warsaw as the main immigration magnet), Małopolskie (with Kraków), Śląskie (with Katowice), and Pomorskie (with Gdańsk). However, in case of Ukrainian population there is a clear over-representation in case of a few regions with relatively weak economic potential – Podkarpackie and Lubelskie. This characteristic is to be explained while referring to the history of bilateral relations (mainly the presence of ethnic Ukrainians and resettlement action in 1947 – the so-called “Akcja Wisła”) and presence of migrant networks.

The most important feature of Ukrainian immigration to Poland is very strong concentration in the Warsaw area. In last few years between 30 and 50 per cent of all applications for permanent residence permit in Poland were submitted in Mazowieckie voivodeship, the same holds true in case of work permits issued. This was one of the reasons why in 2010 a special survey dedicated to Ukrainian and

Belarusian immigrants were undertaken in Warsaw area²⁵. The next part of this section looks at characteristics of Ukrainian migrants using Respondent Driven Sampling (RDS) data. Obviously, this data sample is not representative for the total Ukrainian population in Poland but due to scarcity of data may serve as an important piece of information added to our knowledge on recent immigration to Poland.

Table 3.9 presents selected socio-demographic characteristics of a few categories of immigrants (including the RDS sample) vis-à-vis the Polish population.

Table 3.9. The main socio-demographic characteristics of immigrants and Polish citizens, 2010.

Category	% of males	% of married	% of persons aged 15-35	% of persons aged 60 and more	% of persons with higher education	employment rate*
Polish citizens	48,3	57,6	30,9	19,1	18,3	50,4
Immigrants (temporary >3 month)	57,4	47,4	45,9	7,5	26,3	48,5
Immigrants for permanent stay	63,9	29,6	47,6	5,5	n.a.	43
Immigrants from Ukraine (Central Statistical Office data)	38,8	45	n.a.	n.a.	21,8	65
Immigrants from Ukraine (RDS sample)	42,3	51,5	53,3	1,4	25,9	87,5**

* For immigrants: share of immigrants with work permit valid above 3 month among immigrants registered for temporary stay above 3 month in Poland.

** Share of the immigrants in the RDS sample with working status.

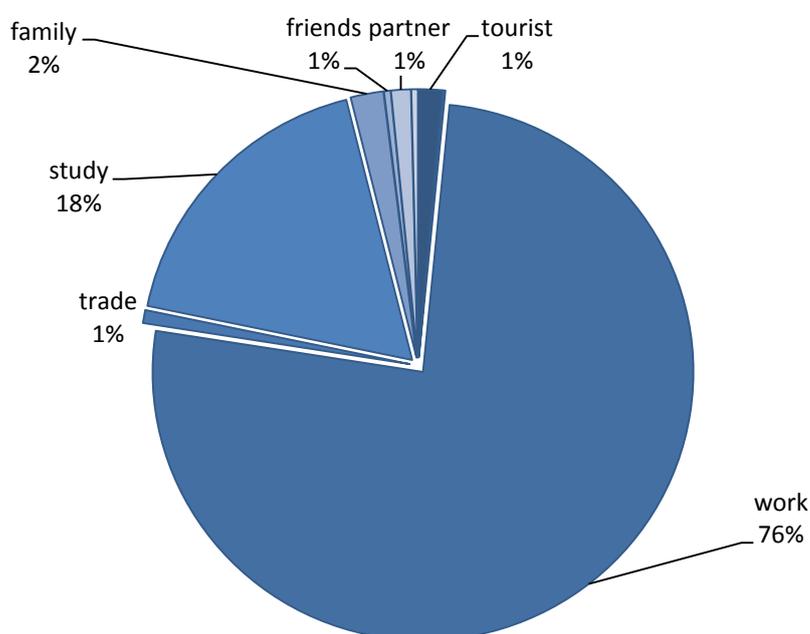
Source: Fedoryshyn 2011 based on the data from Demographic yearbook 2009, Central Statistical Office and data from the RDS survey (CMR).

From the above presented data it follows that Ukrainian immigration to Poland is strongly feminized (particularly as compared to other categories of immigrants). Immigrants are young or very young (over 53 per cent of them were younger than 35

²⁵ The research was completed by the Centre of Migration Research within a research project “Mobility and migration at the time of transition: methodological challenges” (funded by the EEA financial scheme). The survey was based on the Respondent Driven Sampling (RDS) method as proposed by Heckathorn (1997) in order to overcome difficulties related to data on so-called hidden populations. One of the biggest advantages of this method was the (potential) ability to access not registered temporary migrants as well as illegal migrants. Altogether survey provides information on 546 individuals, while the largest subset constituted Ukrainians (439 individuals). Due to relatively low number of observations on Belarussians (and Russians) the analysis will be limited to Ukrainian immigrants only (see also Kaczmarczyk 2011).

years, only 1 per cent of persons were older than 60 years), however over half of them were in stable relationships (mostly marriages). Ukrainians staying in Poland are relatively well educated or even very well educated as compared to the native population – according to the RDS data over 25 per cent of them were holding university degree. Last but not least, in case of this category of migrants the notion ‘labour migrants’ seems particularly suitable – over 85 per cent of Ukrainian migrants in the RDS sample were undertaking work while staying in Poland. This share is very high and even higher than the share of persons who declared work as the main purpose of stay in Poland (see Figure 3.11). This is due to the fact that almost 20 per cent of the sample constituted students who commonly participate in the Polish labour market.

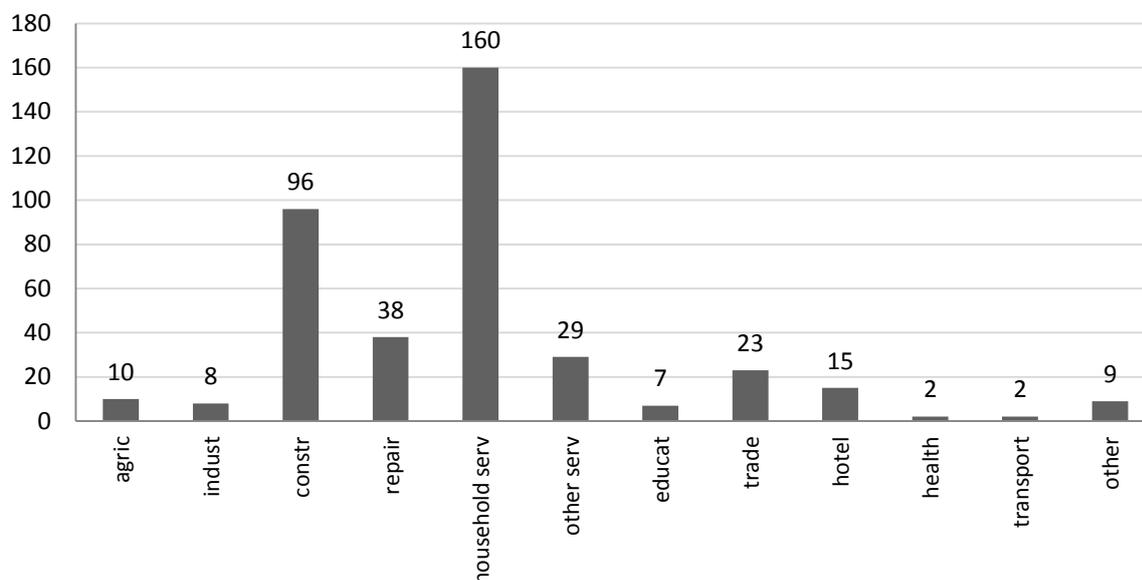
Figure 3.11. Immigrants from Ukraine in Warsaw by purpose of stay.



Source: Fedoryshyn 2011 based on the RDS survey, CMR

The next characteristic refers to structure of employment. Figure 3.12 presents the distribution of Ukrainian immigrants (RDS sample) according to the sector of employment.

Figure 3.12. Structure of employment of Ukrainian immigrants in Warsaw area (RDS sample)



Source: Fedoryshyn 2011 based on the RDS survey, CMR

As shown above over 41 per cent of immigrants recorded during the survey were employed in private households (97 per cent of these persons constituted women). The next important categories comprise construction workers (25 per cent of immigrants, in this case almost exclusively men), persons employed for repair work (around 10 per cent) and in other services (7 per cent). Keeping in mind the specificity of the Warsaw area it is not strange that almost 6 per cent of immigrants in the RDS sample were dealing with trade and merely 2 per cent were employed in agriculture. Presented data is more or less coherent with the structure of employment as discussed above on the basis of work permits with an obvious over-representation of household services.

The RDS sample allows one to tackle two important characteristics of Ukrainian immigrants which are extremely difficult to follow while using official data. Firstly, 75 per cent of the Ukrainian labour immigrants in the RDS sample were staying in Warsaw for less than 12 months. This points clearly to the temporary pattern of recent migration of Ukrainian citizens. Secondly, around 30 per cent of the respondents captured by the survey were employed on irregular basis. Irregular immigrants from Ukraine were generally young (68 per cent aged between 18 to 40) and well educated (25 per cent with tertiary education) persons who have arrived from western Ukraine. Additionally, majority of them (almost 80 per cent) were staying in Poland on short-term basis, i.e. for shorter than 6 months. According to the RDS sample 70 per cent of all irregular migrants were women employed mainly in personal households (dealing with domestic care, housekeeping or child care). Irregular male immigrants were employed mostly in the construction sector and repair works (Fedoryshyn 2011).

The last feature of the RDS sample, i.e. the ability to ‘catch’ irregular migrants is particularly important. There is a long lasting debate in Poland over the scale of irregular immigration from Ukraine. The problem is, however, that empirical evidence is lacking. As a consequence, estimates of the scale of irregular immigration from Ukraine vary from 50 thousand to even 300 thousand persons (Kus 2004, Frelak 2005 respectively).

4. Costs and benefits of the EAPs immigration

4.1. Immigrants from EAPs – substitutes or compliments?

While assessing the labour market impacts of immigration it is necessary to look at sectors of employment and to identify whether immigrants play complimentary or substitutive role as compared to native workers. Usually the complementary workforce is treated as beneficial and desirable (as it is supposed to fill in gaps in the host labour market). On the contrary, if foreigners are substitutes as compared to natives, it is presumed that they may push natives out of the labour market, increasing the risk of domestic unemployment and creating downward pressure on wages.

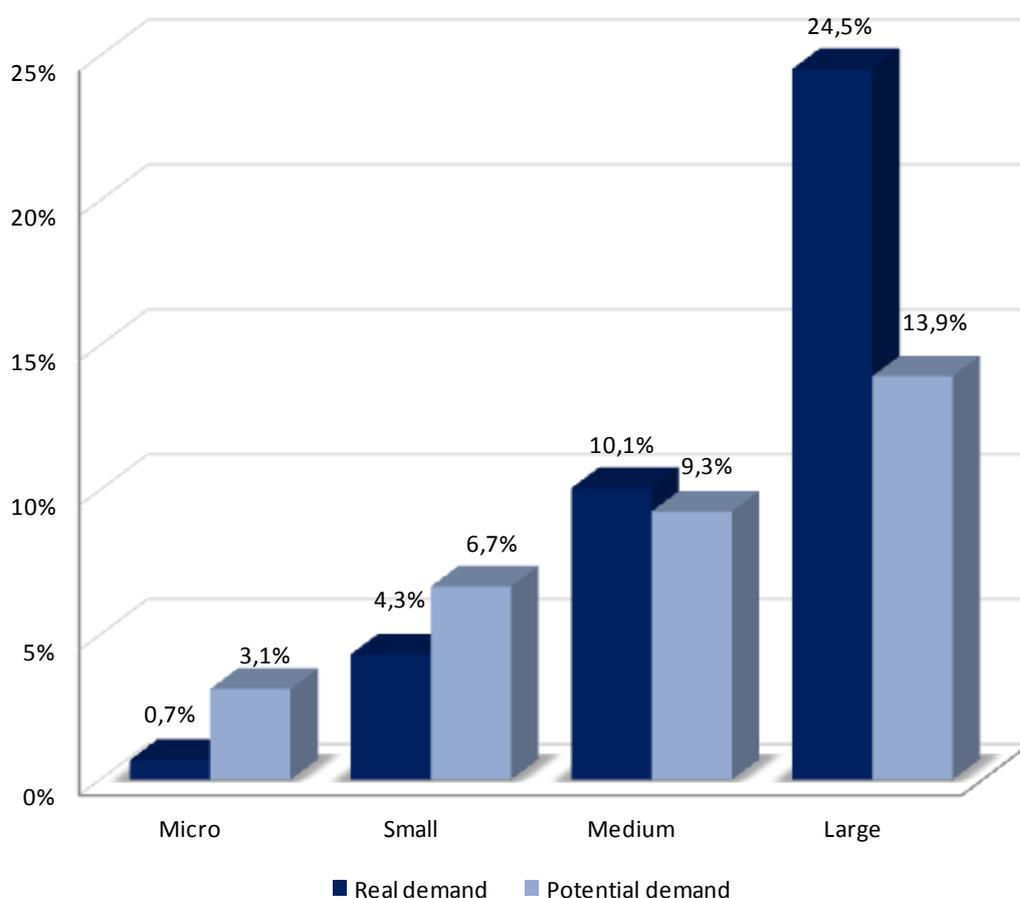
Due to relatively short history of inflow to Poland the available literature and research on the topic is extremely scarce. Notwithstanding this, there are some structural features that have been identified. In early 2000s Iglicka (2000) proposed to analyse labour immigration to Poland while referring to three categories/labour market segments: 1) employment in the primary sector, i.e. highly qualified workers, managers, experts which was mostly the case of workers originating from the USA or EU countries, 2) employment in the secondary sector, i.e. low-skilled workers, seasonal workers – in this case coming predominantly from the former USSR countries, and 3) employment in both sectors which was specific for Vietnamese migrants (with an important role of the ethnic economy and employment almost exclusively in two sectors: trade and catering). Anecdotal evidence (as well as the outcome of the study quoted below) suggests this structure is still valid.

One of the rare opportunities to assess the role of immigrants on the Polish labour market was a nationally representative survey among Polish employers completed in 2007 by the CMR team (Kaczmarczyk 2009, Górny *et al.* 2010). Due to relatively large sample (around 5000 companies) and the fact that the sample included all sizes of companies (including micro size firms) it may serve as a basis for short discussion on the position of EAPs immigrants on the Polish labour market.

The survey revealed that Polish companies have very limited experience with employing foreigners. In the case of real demand (i.e. real employment recorded in the past) the share of companies which employed foreigners was as high as 0.99 per

cent. Potential demand (share of companies expressing interest / plans in employment of foreign workers) was slightly higher and equalled 3.3 per cent. It is difficult to assess whether this kind of outcome is a consequence of rising demand for foreign labour or rather the particular climate concerning immigration (this was the time when new regulations – the so-called simplified procedure – were introduced under pressure from Polish farmers struggling with severe labour shortages and hoping to fill these gaps with immigrant seasonal workers).

Figure 4.1. Real and potential demand by firm size

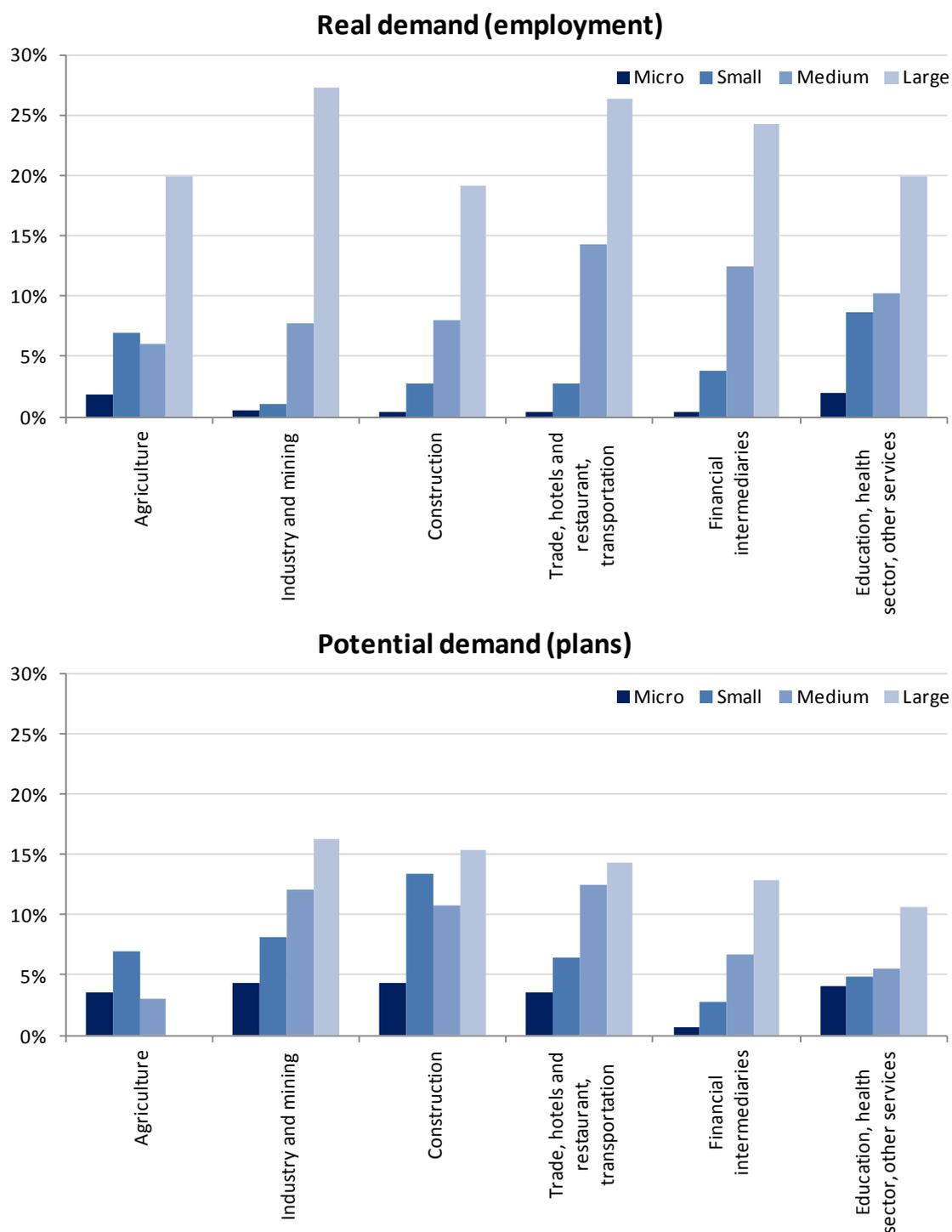


Source: Kaczmarczyk 2009.

Significant differences were noted as regards the size of companies: in the case of large firms the real demand was as high as 24.5 per cent and the potential demand – 13.9 per cent, in case of medium size companies it was 10.1 per cent and 9.3 per cent, in case of small firms 4.3 per cent and 6.7 per cent and for micro size companies 0.7 per cent and 3.1 per cent respectively – see Figure 4.1. In all cases, however, the average number of immigrants employed was low or very low, i.e. in case of large companies it amounted to 4.9 persons per company (Kaczmarczyk 2009).

According to the survey, companies employing foreigners in Poland were concentrated in three main sectors: industry (mainly manufacturing), selected services (mainly trade), and public services (mainly education). There were some differences noted with regard to firm sizes, however, the general pattern was similar (see Figure 4.2).

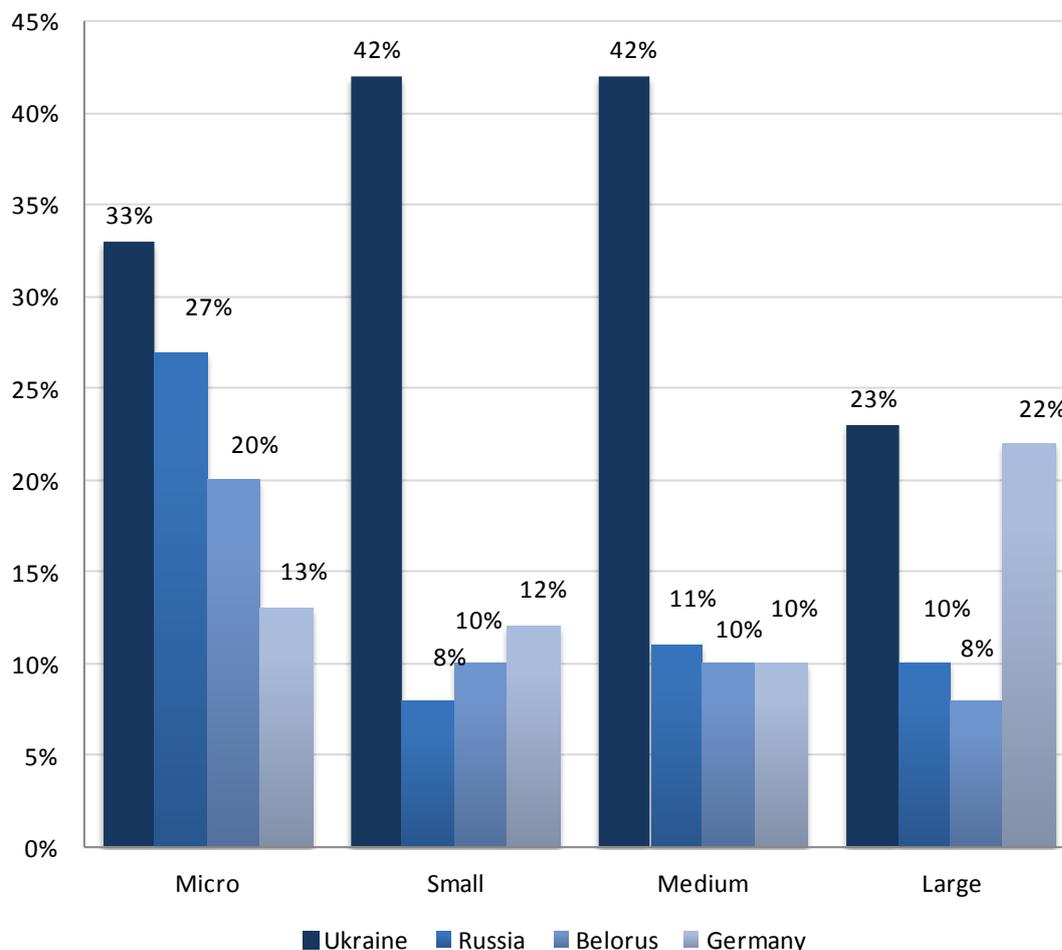
Figure 4.2. Real and potential demand by firm size and sector



Source: Kaczmarczyk 2009.

In most cases there were two important immigrant groups - Ukrainians and Germans. Ukrainians particularly dominated in all firm sizes – see Figure 4.3.

Figure 4.3. Real demand by firm size and country of origin



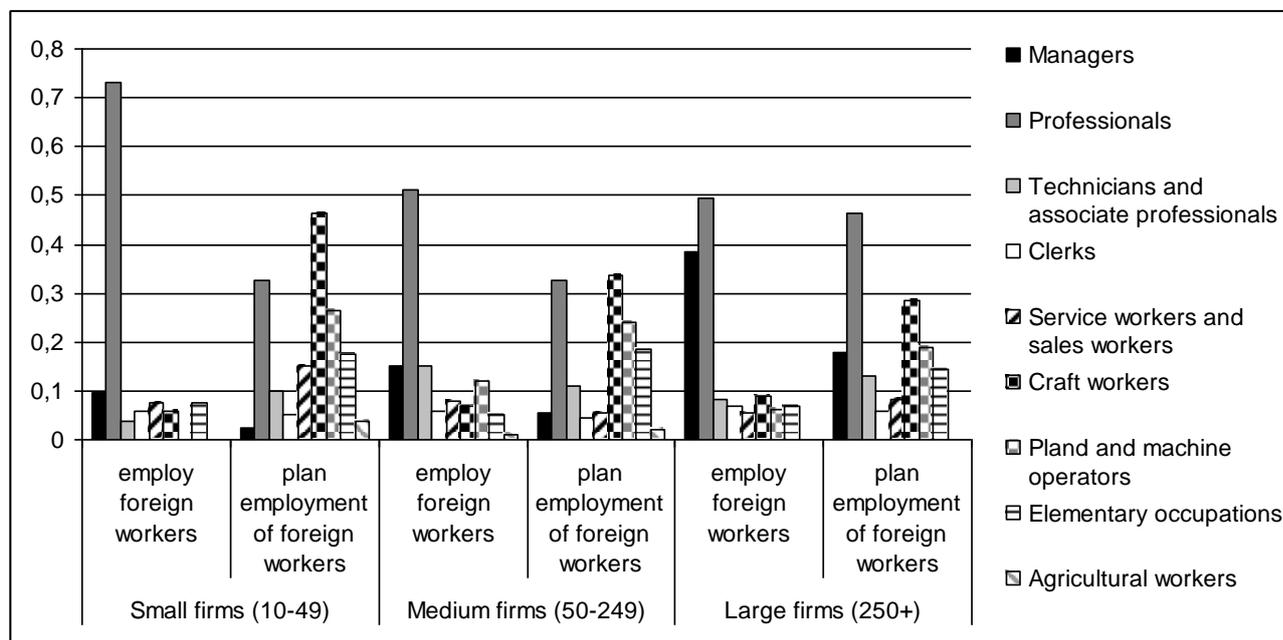
Source: Kaczmarczyk 2009.

As shown above, in all cases Ukrainian and Belarusian migrants were clearly the most important immigrant groups (except in large companies with around 50 per cent combined). Germans were relatively important in case of large companies only. With regard to economic branches – Ukrainians played a very important role in industry and services (including public services, i.e. education).

The main aim of the analysis presented by Janicka and Kaczmarczyk (2010) was to look at the role played by immigrants on the labour market. Considering the fact that according to the survey data Ukrainians constituted the single most important immigrant category it seems reasonable to treat the following discussion as an assessment of the position of EAPs immigrants on the Polish labour market.

Janicka and Kaczmarczyk (2010) have shown that employment patterns in Poland do not follow the dual labour market theory framework in a clear way. On the contrary, Figure 4.4 shows that most jobs offered to immigrants constituted posts demanding relatively high skills.

Figure 4.4. Shares of firms employing foreigners in specific occupations, by firm size and type of demand (actual and planned)



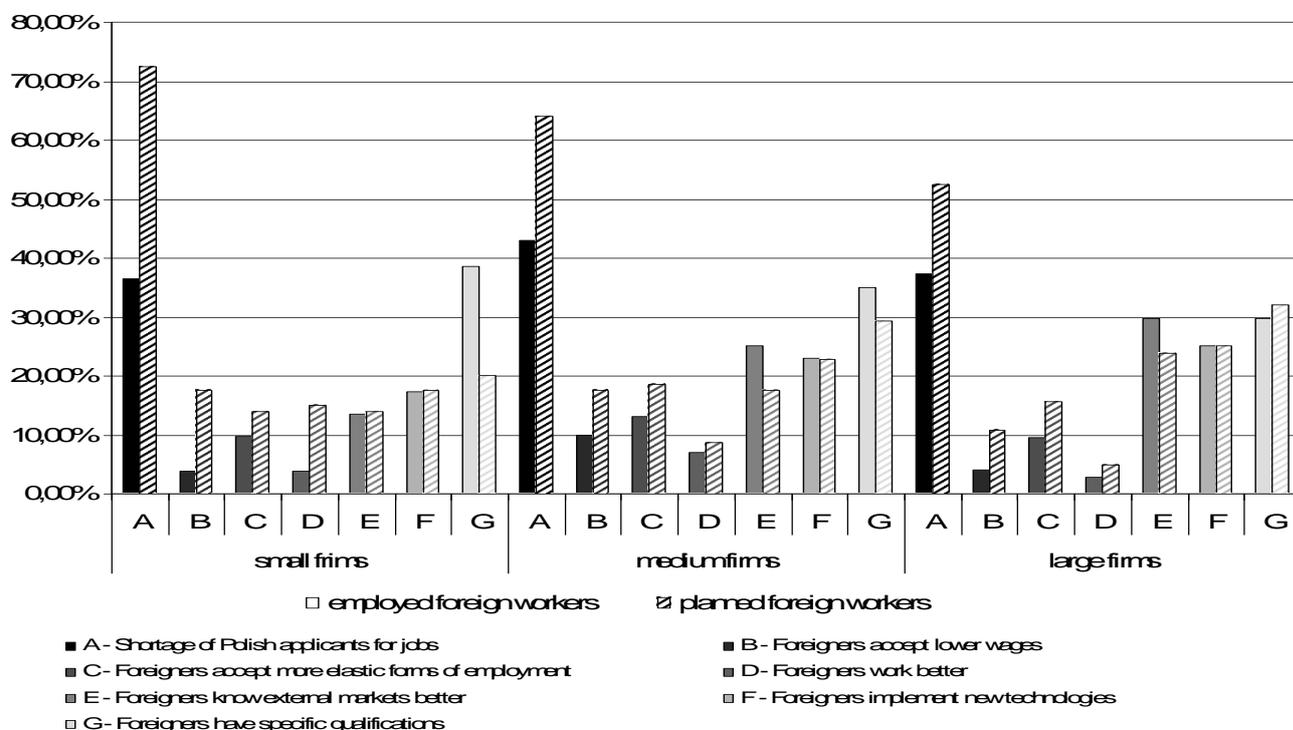
Source: Janicka and Kaczmarczyk 2010.

As shown above, according to the survey data foreigners were employed predominantly in managerial or professional positions and the employment levels of medium and low-skilled workers were relatively low. Notwithstanding, it is important to note that out of the three most important patterns of employment of foreigners (i.e. large or medium companies mostly with foreign capital, typical ‘niches’ of professions such as artists and illegal jobs in agriculture, trade, construction, domestic services) only the third one seems relevant in case of EAPs immigrants. And only this one can be described as a ‘secondary’ labour market with all its features (i.e. complementarity as compared to natives).

With regard to the characteristics of workplaces, Janicka and Kaczmarczyk (2010) have shown that immigrants and domestic workers were employed in very similar positions, with a small over-representation of foreigners in seasonal and temporary posts. Moreover, in most cases, the wages of immigrants employed by the Polish companies were similar (or even higher) to wages paid to the domestic workers – in fact, the share of immigrant workers with earnings lower than the earnings of Poles in analogous positions was lower than 20 per cent.

Thus it is extremely important to look at the rationale for employing foreigners as well as the character of jobs performed by them (in terms of modes of jobs creation).

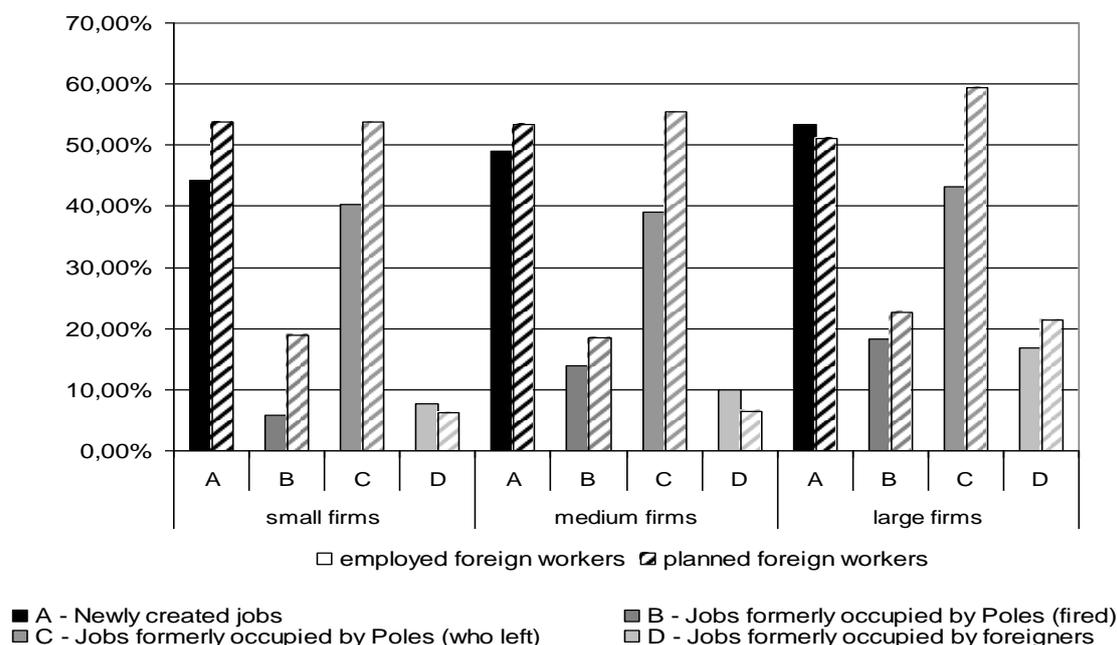
Figure 4.5. Rationale for employing foreigners, by firm size



Source: Janicka and Kaczmarczyk 2010.

Figure 4.5 shows that in all cases employers who have had experiences with employing immigrants explicitly stated that the main rationale for employing a foreigner was the fact that migrant workers have specific skills. This would mean that immigrant labour is predominantly used to fill skill gaps in the Polish labour market. This conclusion is particularly well taken if we combine above mentioned category with following ones: a foreigner knowing external markets and new technologies better. All this means that main driver for looking for foreign workers were (so far) their specific (and unique) skills. This would also mean that immigrants play predominantly complementary role on the Polish labour market. Relatively small shares of companies declaring such motives as acceptance of lower wages or more flexible forms of employment are to be treated as clear sign that contrary to many Western European countries immigrants can hardly push natives out of the labour market (Janicka and Kaczmarczyk 2010).

Figure 4.6. The character of jobs performed by foreigners, by firm size



Source: Janicka and Kaczmarczyk 2010.

Above presented, our conclusions are strengthened when analysing type of job places taken by immigrants (see Figure 4.6). From the presented data it follows that the most important impulse for seeking workers from abroad was the shortage of local workers (over 30 per cent companies). Additionally, this argument seems to be increasingly important (definitely the most important category with regard to future demand). In fact, over 70 per cent of small companies and 60 per cent of medium size companies were expecting to have a chance to fill shortages of workers using foreign labour within the next year. A ‘replacement strategy’, i.e. employment of immigrants who occupied jobs previously performed by Polish workers was relatively rare (10-20 per cent of firms). From the data presented it follows that in most cases immigrants were employed at newly created posts or were filling posts left by Polish workers (in many cases this situation is to be linked with massive post-accession migration from Poland).

Last but not least, Polish employers rarely expressed clear a preference toward employing immigrant workers (when filling a new job position). Most surveyed employers stated that they would prefer to employ a Polish worker (including return migrants). Interestingly enough, however, between 25 and 40 per cent of employers (depending on the company size) claimed that citizenship is not an important criterion when seeking new workers. As concluded by Janicka and Kaczmarczyk (2010), this outcome may suggest that there exists a significant potential demand for

foreign labour, and along with positive developments in Polish economy one may expect increase in scale of labour immigration to Poland.

4.2. Skill mismatches and brain waste

As clearly shown in chapter 3 the data on structural characteristics of the EAP immigrants in Poland is extremely scarce. One of possible data sources is the RDS survey completed by the CMR in 2010²⁶. It includes both data on the education level of immigrants from two EAPs – Ukraine and Belorussia – and their basic labour market characteristics.

Table 4.1 summarizes information on the level of education of Ukrainian and Belarusian immigrants in Warsaw area. It is important to note that contrary to most data sources, presented samples includes not only legal migrants but also irregular migrants. The share of temporary migrants in the sample was also relatively high. Notwithstanding, Table 4.1 reveals that immigrants from two most important EAPs (in terms of inflow) are relatively well educated – share of migrants with secondary education was as high as 68 per cent, share of persons with BA was as high as 11.3 per cent and those holding at least a master’s degree amounted to 18 per cent.

Table 4.1. Level of education of the EAPs immigrants in Warsaw area

Level of education	Number of observations	%
Elementary	14	2,6
Vocational	2	0,4
Secondary	177	32,4
Secondary vocational	193	35,3
BA	62	11,3
MA or higher	98	18,0
TOTAL	546	100,0

Source: Own elaboration based on the RDS survey – CMR 2010.

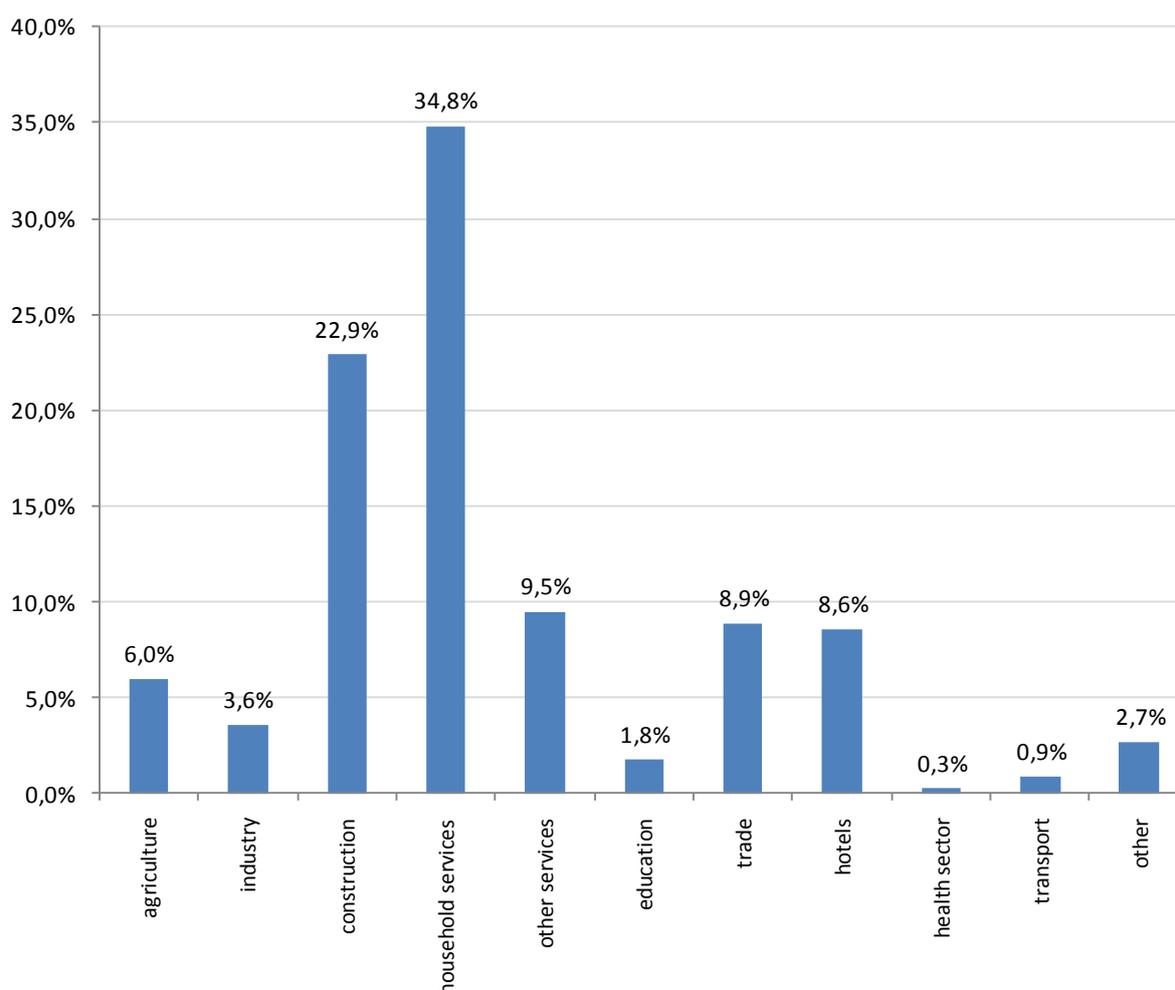
It is important to note, however, that out of the highly educated persons most of the respondents revealed education in area of humanities: linguistics (16 per cent), social sciences (12.5 per cent), economics and management (24 per cent), education (9 per cent), mathematics or natural sciences (9 per cent). Additionally there were 5 per

²⁶ Survey was completed with RDS as a sampling method.

cent persons who claimed medical skills and 17 per cent technical skills. Most of these specializations are hardly useful on the ‘emigration labour market’, additionally there arise obvious problems with transferability of skills, i.e. difficulties in translating skills possessed into practical skills in case of low or inadequate language skills.

The next step will be to look at sectors of employment and try to assess skill usage of EAPs immigrants in Poland. Figure 4.7 presents the structure of employment according to the RDS survey data. As suggested already in previous section, the structure of employment of migrants in the sample clearly mirrors the general pattern of immigrants’ participation in the Polish labour market – almost 35 per cent of immigrants were employed in households (mostly women), next 23 per cent in construction (mostly men).

Figure 4.7. Sectors of employment of EAPs immigrants in Warsaw area (RDS sample), percentages



Source: Own elaboration based on the RDS survey – CMR 2010.

Table 4.2 looks at two dimensions which are critical while assessing skill utilization of immigrants – level of education and sector of employment.

Table 4.2. EAPs immigrants in Warsaw area by sector of employment and education (RDS sample), in percentages

Sector	Level of education						Total
	elementary	vocational	secondary	secondary vocational	BA	MA	
agriculture	7,1%	0,0%	9,1%	5,6%	0,0%	5,9%	6,0%
Industry	0,0%	0,0%	2,6%	4,3%	3,2%	3,9%	3,6%
construction	7,1%	1,3%	18,2%	31,7%	9,7%	13,7%	22,9%
household services	50,0%	0,0%	28,6%	39,1%	41,9%	23,5%	34,8%
other services	7,1%	0,0%	9,1%	8,1%	12,9%	13,7%	9,5%
Education	0,0%	0,0%	1,3%	0,0%	0,0%	9,8%	1,8%
Trade	14,3%	0,0%	13,0%	5,6%	3,2%	15,7%	8,9%
Hotels	7,1%	1,3%	14,3%	5,0%	22,6%	2,0%	8,6%
health sector	0,0%	0,0%	0,0%	0,6%	0,0%	0,0%	0,3%
Transport	0,0%	0,0%	2,6%	0,0%	0,0%	2,0%	0,9%
Other	7,1%	0,0%	1,3%	0,0%	6,5%	9,8%	2,7%
Total	100,0%	2,6%	100,0%	100,0%	100,0%	100,0%	100,0%
N	14	2	77	161	31	51	336

Source: Own elaboration based on the RDS survey – CMR 2010.

From the above presented data it clearly follows that the sector of employment does not reflect the skills of EAP immigrants. Regardless of skill level, the majority of immigrant men are employed in construction (e.g. 10 per cent of persons with BA and 14 per cent with MA) and majority of immigrant women in household services (42 per cent of persons with BA and 24 per cent with MA). The only sector when skills of migrants can be used in an appropriate way is education (10 per cent of employees in the sector hold an MA).

To sum up, employment patterns of EAPs immigrants in Warsaw area are consistent with modes of labour market incorporation of immigrants as observed in most Western European countries. Even if the average level of education of the newcomers is relatively high (in many cases higher than in case of natives), sectors of employment reflect the structure of demand rather than their skill structure. Thus, also in the case of Poland we can claim brain waste rather than brain drain phenomenon.

4.3. General assessment of the labour market integration of EAP immigrants

Before we make an attempt to assess the impact of EAPs immigration on the Polish labour market and its consequences for future migratory inflows, it is important to stress a few points which seriously influence the whole understanding of this issue. Firstly, it needs to be clear that the scale of immigration to Poland is relatively low (including irregular flows). Secondly, the scale of legal inflow – i.e. the flow which is statistically measurable and which can be used in all kind of statistical / econometric exercises – is very or even extremely low as compared to the labour market size (see below). Thirdly, illegal employment – although higher in numerical terms than legal labour migration – is barely traceable in quantitative terms. All these issues make an assessment of the consequences of immigration an extremely difficult task, particularly if we need to refer to particular countries (e.g. EAPs) (Janicka and Kaczmarczyk 2010)²⁷.

In the Polish labour market inflows to unemployment constantly exceed the available number of vacancies. According to the data published by the Ministry of Labour and Social Policy (MLSP 2011) in the period 2007-2011 the vacancies corresponded to around 20-40 per cent of the inflow. That could suggest a permanent strong deficit of vacancies and consequently no space for employment of foreign workers. However, three additional factors should be taken into account:

- Only a fraction of vacancies is registered at labour offices. The real/full number is much larger but is in principle unknown. That is typical also in other countries. In Poland the behaviour of employers seeking workers is strengthened by a perception of long history of labour office inefficiency.
- A substantial number of vacancies (mostly simple jobs) are created in the shadow economy. Its scale is noticeable in Poland, relatively high compared to European standards.
- The number of vacancies vary. In certain sectors they are virtually non-existent or are not reported (employers find workers without any contact with labour offices). There are also sectors in which vacancies are easily available and reported.

Given the above factors we can assume foreign workers can find jobs in the Polish labour market. However, we can analyse only the part of the market that is covered by official statistics.

²⁷ Interestingly, Janicka and Kaczmarczyk (2010) claimed that problems with assessment of labour market impacts of immigration in case of Poland are not only consequence of the lack of appropriate data but also due to the fact that (im)migration theories are hardly applicable to the case of country with so limited scale of the (legal) inflow.

The most extensive data on skill shortages are available in reports published biannually by the MLSP. They use a simple approach based on the following two formulas:

- 1) Absolute deficit/surplus in a profession

$$N_i^k = U_i^k - V_i^k$$

Where: N – deficit/surplus (number of people); U – inflow into unemployment (number of unemployed); V – inflow of vacancies (number of vacancies); k – certain profession; i – period (in the publication 1st or 2nd half of the year)

- 2) Intensity coefficient of deficit/surplus in a profession

$$W_i^k = \frac{V_i^k}{U_i^k}$$

Where: W – coefficient of deficit/surplus; U and V as above

In the Reports it is assumed deficit professions have the coefficient $W > 1.1$, while surplus professions have $W < 0.9$. That applies to registered inflow of jobs and unemployed only.

Through the period 2007-2011 deficit professions were in such broad groups of professions as industry manual workers and craftsmen, while surplus professions were in groups such as simple jobs and services and retail workers. Again, as already stressed above, that covers only registered data.

Table 4.3. Number of unemployed and inflow (number of people registered in 1st half of 2011 – June 2011) by 1-digit groups of professions

Professions (broad groups, 1-digit)	Number of unemployed registered	Percentage share in total unemployment registered (%)
Total	1,883,299	100
Public authorities, higher staff	9,753	0.5
Specialists	156,775	8.3
Technicians and middle personnel	237,618	12.6
Office personnel	78,014	4.1
Service and retail workers	318,49	16.9
Agriculture, gardener, forestry, fishermen	37,561	2.0
Industry workers and craftsmen	431,655	22.9
Machinery operators	86,746	4.6
Simple jobs	156,521	8.3
Armed forces	1,03	0.1
No profession	369,136	19.6

Source: Own elaboration based on the Ministry of Labour and Social Policy data.

The above data portray one of the most important features of the Polish labour market – namely the manifold nature of observed mismatches. From the reports presented by the Ministry of Labour and Social Policy it follows that the deficit occupations (i.e. those in case of which vacancies were noted) include industry workers. At the same time (see Table 4.3) these kinds of workers constitute the largest group of registered unemployed. This paradox is easier understandable when we consider that due to the low scale of internal migration, Polish local and regional labour markets are poorly connected.

According to literature the impact of immigrant workers on domestic employment and wages is typically relatively minor. An additional inflow of foreign workers does not push native workers out of jobs. Neither does it substantially reduce wages of native workers even if they are close substitutes with immigrants. (see Friedberg and Hunt 1995). Also there is no evidence of a significant impact of immigration on unemployment (Lucchino et al. 2012). We do not have sufficient data to confirm these findings in the case of immigration to Poland. In this case it looks reasonable to assume a similar situation in the Polish labour market. Theoretical literature suggests that the impact of immigrants on wages and employment of the natives mostly depends on human capital of the immigrants *vis-à-vis* domestic human capital structure. This in turn suggests that the impact of foreign workers can be larger than the one observed in developed Western countries since the difference in human capital of the immigrants and the natives can be smaller.

The number of registered vacancies in Poland is limited, low in comparison to the number of unemployed. Even if we take into account the most optimistic estimates of the number of unregistered vacancies there is no much space for immigrants. However, that does not hold in certain sectors, namely agriculture (seasonal workers), construction (also seasonal), cleaning works, etc. In these sectors a difference between human capital of native workers and immigrants is relatively smaller than in the majority of other more advanced sectors of the economy. A large part of jobs in those sectors is in the shadow economy, so it is very difficult to present numbers. However, even if the numbers are significant we do not expect a significant impact on the labour market situation as perceived by native workers.

In the context of the presented analysis the most important is, however, that the labour market in Poland is large in terms of numbers. According to the Labour Force Survey 2011, the fourth quarter of 2011 saw the number of employed persons amount to 16,291 thousands, unemployment was as high as 1,750 thousands. It is perfectly clear that numbers of immigrants to Poland are still very small as compared to the scale of the Polish labour market. Data on foreign workers in Poland show numbers that should not be compared since they are of totally different scale (legally working immigrants correspond to roughly 1-5 per million of the domestic labour force). Even correlation would be misleading since the fluctuations of employment and unemployment in the Polish labour market depend on other factors than the ones affecting immigration and legalization of immigrant status. Table 4.4 provides basic

data on the Polish labour market and the number of legally working immigrants which clearly support the above thesis.

Table 4.4. Basic data on the Polish labour market and the number of legally working immigrants

	Average monthly wage/salars (in PLN)	Working age population	Employment ('000)	Unemployment ('000)	Employment rate (%)	Unemployment rate (%)	Immigrants (legal) ('000)
2007 Q1	2709,14	31460	14839	1894	47,2	11,3	
2007 Q2	2644,34	31338	15152	1602	48,4	9,6	
2007 Q3	2703,41	31369	15432	1531	49,2	9,0	
2007 Q4	2899,83	31402	15538	1448	49,5	8,5	14,1
2008 Q1	2983,98	31424	15515	1361	49,4	8,1	39,2
2008 Q2	2951,36	31330	15689	1196	50,1	7,1	51,0
2008 Q3	2968,55	31354	15990	1132	51,0	6,6	39,9
2008 Q4	3096,55	31383	16005	1154	51,0	6,7	26,6
2009 Q1	3185,61	31403	15714	1414	50,0	8,3	65,0
2009 Q2	3081,48	31454	15847	1355	50,4	7,9	58,1
2009 Q3	3113,86	31479	16026	1404	50,9	8,1	40,1
2009 Q4	3243,60	31505	15885	1471	50,4	8,5	25,2
2010 Q1	3316,38	31521	15574	1839	49,4	10,6	54,9
2010 Q2	3197,85	31708	15994	1682	50,4	9,5	64,7
2010 Q3	3203,08	31725	16199	1627	51,1	9,1	42,8
2010 Q4	3438,21	31741	16075	1649	50,6	9,3	17,6
2011 Q1	3466,33	31750	15875	1771	50,0	10,0	86,8
2011 Q2	3366,11	31853	16163	1690	50,7	9,5	77,1
2011 Q3	3416,00	31867	16284	1679	51,1	9,3	
2011 Q4	3586,75	31884	16201	1750	50,8	9,7	

Source: Own elaboration based on the CSO data and Ministry of Labour and Social Policy data.

This amounts to the conclusion that foreign workers' impact on the Polish labour market, irrespective to specific circumstances is negligible (even if including relatively large numbers of seasonal workers). Therefore applying theories, running sophisticated models and analysing counterfactual scenarios would be just a purely technical exercise rather than a real research. Moreover, changes in the number of immigrants legally working in Poland may depend on both changes of the number of immigrants and changes in their legal status. The two can hardly be separated in data.

There are, however, some interesting caveats. The vast majority of immigrants working in Poland come from EAPs. They usually speak Slavic languages that are more or less understandable for the Poles. For this reason it is relatively easy to

employ them in various types of housekeeping services. As shown in previous sections, sector of personal/household services is particularly important in the case of Ukrainian immigrants (mainly female). However, it is worth stressing that the sector did not exist even 10 years ago. It has been newly created as a consequence of an increase of relatively affluent families that can afford such services on one hand and a parallel increase of supply of labour in that sector on the other. Importantly – it was possible only when costs of such services were relatively low due to the fact that they have been offered by immigrant labour force. This means that the inflow of immigrants contributed to the creation of the new sector in which the immigrants do not compete with native workers since the latter have virtually never been supplying labour in that sector at a significant level. The immigrants and the sector they work in appeared simultaneously. That looks very optimistic. Immigrants just fill a gap in the domestic market. There is no adverse effect on the native workers. As shown in previous sections - due to the scale of the migrant's inflow, the participation of immigrants in the Polish labour market is relatively low (the mechanisms observed now may change in the future along with a change of scale, but for now, no severe impacts in the economy may be observed) and, secondly, foreigners in most cases are employed because of their high or specific qualifications. Thus it is justified to conclude that so far complementarity has dominated over substitution effects.

4.4. Impact of the EAPs immigration on the welfare system²⁸

An assessment of all the different kinds of impacts of EAP immigration to Poland is an extremely difficult task due to the low availability and the quality of migration data. This point is particularly well taken when considering aspects such as the potential impact of immigrants on the welfare system. Therefore, instead of presenting disciplined analysis an attempt will be made to scientifically assess three areas related to the issue: 1) factors influencing wage level of EAPs immigrants, 2) factors responsible for their participation in tax base, i.e. legality of employment, and 3) estimation of the scale of potential beneficiaries of welfare payments in Poland. All three issues will be analysed based on the unique data set on Ukrainian immigrants in Poland as provided by the RDS sample (Kaczmarczyk 2011, Fedoryshyn 2011). Considering the relative importance of the Ukrainian migrants this analysis may serve as an estimate of the overall impact of EAP immigration on the Polish welfare system.

Fedoryshyn (2011) analysed factors responsible for the wage level of Ukrainian labour migrants in the Warsaw area (data as for 2010). She estimated a Mincerian type wage equation including such factors as gender, education, legal status, and experience, command of Polish language and sectors of employment as regressors²⁹. Three sets of estimates were presented including 1) only the base set of regressors, 2) controls for

²⁸ This section relies heavily on the analysis presented by Fedoryshyna (2011) based on the RDS sample.

²⁹ The dependent variable was logarithm of hourly earnings (average = 13 PLN/hour).

sector of employment, and 3) controls for human capital specific for Poland (command of Polish language, education in Poland).

Results proved a positive and statistically significant impact of characteristics related to the human capital of immigrants on earnings. Hourly earnings were positively impacted by age (but at a decreasing rate), being married, level of education³⁰ (both general as well as in case of education in Poland – the impact of the latter variable was much stronger, as expected), command of Polish language and experience on the Polish labour market (inverted u-shape).

Interestingly, in the case of the Polish labour market Ukrainian men earn relatively less than women. This outcome is, however, mostly related to very significant differences in distribution of migrants across sectors and differences in wages offered in particular sectors. Thus, these differences become statistically insignificant when controlling for sectors of employment which are clearly gender-specific. According to the RDS data, employment in such sectors as agriculture and trade were connected with relatively lower hourly earnings, while such sectors as construction and household services offered much better wages.

The next interesting characteristic refers to the number of visits in Poland which may be treated as a proxy for being circular or commuting migrant (a very common pattern of migration among Ukrainians coming to Poland). According to the estimates provided by Fedoryshyn (2011), this variable impacted the mean wage level in a negative way which may suggest a relatively more favourable position of those migrants with relatively stable status in Poland. This observation was confirmed by the positive impact of the variable indicating legal status of Ukrainian migrants in Poland – in all three specifications legal workers from Ukraine earned relatively more than illegal ones.

Last but not least, outcomes of the model revealed that those persons who can rely on acquaintances in Poland and have been offered help with finding a job there earned relatively more than control groups. This confirms a commonly presented hypothesis that recent migration from Ukraine is strongly driven by well-established and strong migrant networks (and that migrant networks positively impact on wages).

Regarding potential contribution to the state treasury, one of the most important questions refers to the factors responsible for being in a particular legal status³¹. In this case the possession of necessary documents to be able to work in Poland among Ukrainian immigrants was a proxy for being exposed to tax contribution. Similarly to the previous case three specifications were estimated in order to control for Poland specific human capital and sectors of employment (Fedoryshyn 2011).

³⁰ Due to the available set of data no common instruments could be used in order to avoid endogeneity. Thus, obtained estimators may be biased.

³¹ Please, note that due to unique sampling method used (RDS), available data included around 30% of irregular migrants which allowed to run this kind of analysis.

Results can be summarized as follows:

- Probability of being legally employed was higher among older migrants (inverse u-shape relationship);
- Human capital characteristics, including particularly command of Polish language, positively and significantly impacted the probability of being legally employed;
- Probability of illegal employment was relatively higher among short-term or circular workers;
- Access to migrant networks was one of the most important variables explaining legality of employment (and this result may be surprising when considering mechanisms of obtaining job in Poland);
- Most importantly, probability of being legally employed was much higher among men than women. Similarly to the previous case, however, this effect disappears when controlling for sectors of employment.

Sector of employment turned out to be one of the most important variables. Specifications including sector-specific control variables revealed that such sectors as household services, trade and transport are associated with relatively higher probability of being illegally employed, while being employed in construction, agriculture and other services, on the contrary, increases the probability of legal employment. This is a clear evidence that recently introduced measures targeting workers in such sectors as agriculture and construction (declarations) are relatively efficient in terms of potential tax contribution of migrants.

The most challenging task is the estimation of the use of the welfare benefits by the immigrants from Ukraine. This is due to the fact that available data does not allow to provide a comprehensive and in-depth analysis of this phenomenon. Nevertheless, Fedoryshyn (2011) attempted to test the hypothesis that immigrants from Ukraine are not inclined to overconsumption of welfare benefits on the basis of RDS data and set of (necessary) simplifying assumptions.

The most important benefits paid to immigrants include: retirement pension, family assistance and maternity allowance, social assistance and unemployment benefits. Outcomes of the analysis provided by Fedoryshyn (2011) can be summarised as follows:

1) Retirement pensions

According to Polish law a person is eligible for retirement benefits in if he/she has reached the retirement age (60 for women and 65 for men³²). However, in the RDS sample there was no single man aged 65 or older (the oldest was 61 years old). In case

³² A new legislation concerning retirement age (67 for both sexes) will be passed shortly.

of women the situation was similar – only 4 women were aged 60 years or more which constituted 2 per cent of women and less than 1 per cent of the total sample). Thus, at this particular point of time estimated number of Ukrainian migrants who could rely on retirement benefits would be lower than 1-2 per cent. This outcome is not surprising when looking at the (very short) history of immigration to Poland and its structural features.

2) Family assistance and maternity allowance

Immigrants accompanied by children may be eligible to social security related to presence of their children in Poland. However, even if almost 70 per cent Ukrainian migrants in the sample had at least one child, only 6 per cent of them were accompanied by their children to Poland. Additionally, there were no immigrants with children younger than one year old (i.e. entitled to maternity allowance); there were only 3 cases of persons with children younger than 3 years old (i.e. entitled to parental leave which is unpaid unless the family income is very low); only in 8 cases were children of Ukrainian migrants of primary school age and thus eligible to participate in education in Poland (and also to a number of social security benefits related to children in the education process). Families in a relatively poor economic situation (with income lower than 504 PLN/month per family member) are eligible for family allowance (being paid up to the age of 21 with a few supplements as related to bringing up a child alone or having more than 3 children). Analysis of the Ukrainian immigrants in the households revealed, again, that only in 10 cases (around 2 per cent of the total sample) the income per capita of families with children was lower than 504 PLN; there were 6 such cases where children were brought up by single parents; in the case of 3 persons, low income was accompanied by having 3 or more children which made them eligible for an additional supplement. All in all, roughly only 3,5 per cent of sampled immigrants from Ukraine could benefit from the social security assistance for mothers and children in Poland and, besides, only around 2 per cent of the respondents were eligible for family allowance and its supplements. All these figures are extremely low.

3) Social assistance

Temporary social allowance is provided for those families or individuals who do not have any income or their income is lower than the legal threshold (varying depending on the estimates of the poverty threshold). The analysis of the RDS sample revealed that no more than 1 per cent of Ukrainian immigrants might be eligible for temporary social allowance. Unfortunately, there was no data available on disabled individuals.

4) Unemployment benefits

According to Polish law in order to be eligible for unemployment benefits in Poland, a given person needs to have at least 180 days of working experience in the last 12 months, be registered as unemployed, and to be able and ready to work full-time (and

obviously to be older than 18 and younger than 60 or 54 years). Out of the sample only 13 per cent of Ukrainian immigrants were not working. Additionally, 10 out of these 13 per cent constituted students with no prior experience in the Polish labour market. Therefore the share of persons who might be eligible for the unemployment benefits was roughly 3 per cent.

To conclude, the above analysis shows clearly that Ukrainian immigrants constitute typical labour migrants. Additionally, due to their personal characteristics (age, marital status, structure of family in Poland) they do not create any significant burden for Polish treasury. Instead, a relatively large share of Ukrainians (around 70 per cent) is employed as legal workers and thus is supposed to contribute to the welfare in form of income taxes.

5. Prospects for future inflows from EAPs

From previous sections it follows that employability of foreigners in Poland is definitely of a seasonal nature. This follows from the introduction of very liberal legislation as concerns provision of seasonal jobs to citizens of five European states. In practice, however, the demand for seasonal foreign workers is satisfied by Ukrainian nationals. In the post-2009 period the number of work permits issued for employment in excess of one year has grown too, but this growth has been definitely lower than for seasonal employment.

Owing to a very limited scope of foreigners employment in Poland, any forecast of the scale of their future inflow is an extremely difficult task. Two such forecasts have been attempted in Poland to date: the first one in the frames of research performed by the Institute of Social Policy (Duszczyk and Szytko-Skoczny 2010) and the other by the Centre of Migration Research (Górny *et al.* 2010)³³.

5.1. The forecast of the Institute of Social Policy

The first forecast concerned the expected demand for Polish workers. The starting point for the development thereof was a forecast of basic macroeconomic indices (the Gross National Product, employability index, etc.) for the period 2010 – 2020 (at a quarterly rate). Owing to the principles adopted in the field of Polish migration (they provide for easy employability of seasonal workers and accessibility of work permits) it can be assumed that the demand from employers for foreign workers is going to be fully satisfied.

The forecast was developed under three scenarios: optimistic, neutral and pessimistic. Under all scenarios, the demand for foreign workers is to rise, thus stimulating immigrants' inflow. Simultaneously, depending on the scenario chosen, in 2020 the size of immigration to Poland will be 30-80 per cent greater than in 2009, with the scale of the fulfilled demand for foreign labour force depending on the economic situation in Poland. The percentage of growth may seem significant, particularly under the optimistic scenario, but it needs to be pointed out that once translated into absolute numbers the growth would not exceed 10-35 thousand people in permanent employment. In the case of seasonal employment, any potential rise or decline in the demand for seasonal workers will follow from impossible to predict factors, such as e.g. weather conditions affecting vegetable and fruit yields. Simultaneously the existing observations of the trends regarding seasonal employment demonstrate that the scale of such employment will be in the range of 100-200 thousand people annually.

The sectoral forecast demonstrated that both in mid- and long-term perspective, employability of foreigners will focus on agricultural and construction sectors. At the

³³ Due to the fact that Ukrainian immigrants constitute the single most important immigrant group in Poland both attempts can be treated as relevant to the subject of presented study, i.e. immigration from EPCs.

same time there will be regular growth in the employability of foreigners in services sector, in response to the rising demand, which for many reasons cannot be satisfied by domestic workers. The demand forecast has demonstrated that while in 2010 approx. 31 per cent of foreigners employed in Poland worked in services sector, by 2020 this percentage is going to reach the level of almost 40 per cent. Simultaneously the share of third country nationals employed in agriculture is going to drop from 68 to 60 per cent. Nevertheless agriculture will remain the main sector for foreigners' employment in Poland. However this employment will be largely of strictly seasonal nature.

The projection also demonstrated that in the period 2009-2020 the occupational structure of foreigners working in Poland is going to transform. Firstly, the relative share of poorly qualified construction workers will decline. Secondly, the percentage will grow of foreigners employed at low and medium level positions in services sectors: drivers and machinery operators, salespersons and people providing personal services, office workers and people employed in households. In some of those groups one may expect demand growths of 12-15 per cent annually, which shall be deemed a quite high value, although it most likely results from a rise of general significance of those groups than from genuine growth of demand for foreigners in those occupations.

5.2. The forecast of the Centre of Migration Research

The forecast was developed on the basis of declarations made by employers as regards potential and fulfilled demand for foreign workers. Surveys demonstrated that willingness to hire foreign workers is extremely low in Poland. Mere 5 per cent of employers declared they would choose a foreigner from among candidates for a job. At the same time survey results unambiguously suggest that such willingness would increase if shortage of Polish workers aggravates, as a result of either demographic change or outflow of Poles abroad. So the grounds to forecast increased employability of foreigners follow from declarations of employers, i.e. a potential demand, which will be fulfilled only under a specified economic situation. A large demand for foreign workers and increased number of decisions to employ them would only take place under good business outlook and a shortage of Polish workers in the marketplace. However the probability of such scenario in the time perspective of the forthcoming years shall be deemed as very unlikely.

Additionally, a study completed by the CMR in 2010 (Górny *et al.* 2010) included outcomes of a DELPHI research aimed to assess the scale and structure of future inflow of immigrants to Poland. Majority of experts who were invited to participate in the survey have stated that an increased inflow of labour migrants will occur in the next years. Expected increase was linked to increasing demand for foreign labour connected to massive investments in the infrastructure (related to the 2012 UEFA Cup as well as inflow of EU funds). According to experts the main factors which were

supposed to enhance future inflows from the EAPs include: spatial proximity, neighbourhood and cultural proximity, strong migrant networks and economic factors reflecting the attractiveness of Poland as a destination country. The same factor, however, was presented as a potential immigration barrier – in fact, Poland is perceived rather as an (un)attractive country as compared to the Western European countries.

5.3. Summary

To recapitulate, the forecasts concerning demand for foreign workers performed in Poland have demonstrated that in the forthcoming years the country may be dealing with an increased scale of foreigners' participation in the Polish labour market. Additionally, most of the future flows are expected to originate from EAPs - according to DELPHI experts, the most intense inflows are to be expected from Ukraine and Belarus, followed by China, medium-intense inflows are expected from other former USSR republics, while low-intensity inflows are expected from EU countries, India, Pakistan, Bangladesh and Turkey (Górny *et al.* 2010). At the same time, demand for foreign labour will largely depend on the business outlook and the labour market situation. One may expect significant fluctuations as regards seasonal employment, mainly of the Ukrainian nationals employed in the agriculture and construction sector, and a slow growth of permanent employment, to be fulfilled chiefly in the services sector. The scale of legal, permanent (in excess of one year) employment by 2020 is expected to rise by approx. 30,000 people under the optimistic scenario, or by approx. 10,000 people under the pessimistic scenario.

6. Conclusions and policy recommendations

In this study we aimed at two goals. The first one was to put together all available data in order to present a broad and coherent picture of immigration from the Eastern Partnership countries. The picture is full to the extent determined by the availability of data. To our knowledge there is no relevant piece of information omitted in the paper. The second goal was a set of partial analyses of the economic impacts related to immigration from EAPs to Poland, again, conditional on the data availability.

While analysing recent trends in international migration it is important to consider these developments in longer term. During the decades of communist regime the country was almost closed. Poles started sizable emigration in the 1980s. An increasing number of immigrants appeared in the late 1990s and became more numerous (though still low by European standards) after 2004 when Poland joined the EU. Today Poland is a country of both large-scale emigration and limited but observable immigration, which generates various effects on the labour market and more broadly in other social areas. The former situation strongly influenced public perception of immigration but did not yet contribute to the development of a sufficient institutional framework needed for managing both flows, namely emigrants and immigrants. The institutional framework is being developed only now, with particular emphasis on social and economic integration of foreigners.

The study presents the complexity of the situation and difficulties faced in the processes of both on-going management of flows of migrants and the development of an institutional framework for managing those flows. For many economic, cultural, political (and probably other) reasons, the Eastern Partnership programme matters for Poland and also for the entire EU. Development of an institutional framework for the management of immigrant flows is one of the tasks that should be strongly supported in various ways. That is particularly needed in countries like Poland that border the largest country covered by the programme, namely Ukraine, and is directly exposed to challenges stemming from the programme.

Available data suggests that in many cases Poland is not a final destination for immigrants from the programme countries. However, even in such cases the key factor for immigration to Poland is income disparity between the EAPs and Poland. Further migration within the EU is driven by the same factor, namely income disparity between Poland (in general the new member states) and the old member states. Income disparity-driven migrations are the most generally typical so the Polish case does not deviate from common patterns. It has, however, specific features.

In this study we presented and analysed the current stage of institutional development, and to an extent also efficiency, of various arrangements related to immigration (work permits and simplified employment procedure). We also point out

their deficiencies and possible ways of further development. We analysed the Eastern Partnership programme in a broad context, going beyond just institutions, to elucidate the management of immigration flows. That involved both cultural and historical contextual information that is not directly discussed although it is taken into account in the background of the paper.

The largest country covered by the programme is Ukraine. Our study also clearly showed that the vast majority of issues related to the programme are related to Ukrainian citizens. For this reason it makes a lot of sense to see outcomes of the programme in relation to specific Polish-Ukrainian relations. These relations have a long history full of positive but also dramatically negative events such as living in the same state on one hand and civil wars involving both nations on opposite sides to the other. Consequently, the countries and their inhabitants are close to each other in many senses. There are a number of factors going beyond administrative issues that affect immigration from Ukraine. Actually, the same factors matter with respect to Belarus participating in the programme but to a lesser degree. Among them:

- ✓ Relatively low language barrier;
- ✓ Relatively little cultural barrier;
- ✓ Short distance from home (in many cases over an adjoining border);
- ✓ Similarities in post-Second World War history that created similar background of thinking in a couple of generations of Ukrainians and Poles.

There are also other factors applying not only to Ukraine and Belarus but also to the rest of countries covered with the programme:

- ✓ Large agriculture and construction sectors in Poland - typically offering jobs that can absorb immigrant workers (and recently struggling with labour shortages);
- ✓ Relatively strong welfare growth in Poland, especially in big cities, leading to growing demand for various household and care services;
- ✓ Relatively large labour market with clear signs of labour market segmentation;
- ✓ Relatively low unemployment rate (for a number of years below or around the EU average rate);
- ✓ More room for the immigrant workers since the large emigration of Polish workers that flowed out to other EU countries.

Many of the factors outlined above contribute to seasonal patterns of immigration to Poland. Due to legal as well as economic factors, it is relatively easy to come, work for some time and come back to a home country. Immigration to Poland does not mean a substantial investment. Thus, since the early 1990s we observe a process of

strengthening of the temporary migration pattern from the EAPs. Our study clearly confirms the observed seasonal pattern of immigration to Poland. Moreover, in many cases this kind of mobility may transform itself in the long-term coping strategy.

In light of the analysis presented in this paper keeping the door open for immigrants creates some problems, both ones typically faced by receiving countries as well as specific ones stemming from the as yet underdeveloped institutional infrastructure for managing the flow of immigrants. On the other hand, the immigrants contribute to the prosperity of Poland and fill employment gaps that exist due to the emigration of Poles. That situation is expected to stay unchanged in the years to come. Moreover, migration framed within the EAPs programme may contribute to building better neighbourhood relations, including possible future accession processes for some of the programme countries.

In late November 2012 a draft new act on foreigners was made public (previously in the consultation phase). It indicates key principles for the legal infrastructure of migration policies in Poland. An analysis of this document suggests that Polish authorities will maintain the existing approach to labour immigration, which means priority given to temporary stays. Preferences will also be kept for five East European countries (Ukraine, Russia, Belarus, Moldova and Georgia) as regards facilities for their citizens to take temporary employment without the obligation to obtain a work permit. This means Poland's institutions are to be designed to contribute to beneficial economic outcomes expected from hiring foreigners in such sectors as agriculture, construction and household services. At the same time, introduction of new regulations related to the situation of foreigners undertaking economic activities in Poland is planned. The most important of them provides for the possibility for foreigners to stay in Poland (for maximum of 30 days) despite having lost their job. From such a position they will be given the right to seek and start a new job.

Our analysis of the rationale for the draft law indicates that currently no other scenarios concerning opening or closing of Polish labour market for foreigners are considered. Such an approach seems fully justified in the current situation of Poland. The existing experiences regarding temporary employment of foreigners demonstrate that restriction of labour immigration, particularly from Ukraine, would adversely influence the Polish labour market, particularly in the sectors listed above. Reduction of the inflow of foreigners into the agricultural sector would result in difficulties in securing adequate numbers of employees required to harvest the crops, which could have adverse impact on prices of certain agricultural products. It is worth noting that low prices – at least as compared to most other EU member states - in Poland result, among others, from employment of foreigners. In the case of the construction sector this impact would be probably less significant mainly due to the fact that many infrastructural investment projects co-financed from EU funding have ended and consequently the demand for employees in the construction sector has decreased. The demand may rise again when new investments co-financed from the 2014-2020 EU budget are deployed. Restrictions on the possibility to hire household help may

push some Poles, mainly women, to give up their jobs and take on duties presently performed by foreigners. This concerns mainly long-term care for dependent persons. The necessity to ensure assistance in private homes stems from underdeveloped institutional care services.

Given the current situation in the labour market and the scale and structure of immigration to Poland as presented in this paper, we do not expect a fundamental change of the picture of immigration even under a scenario of full liberalisation of the access of EAPs citizens to Polish labour market. Under current regulations, the access to temporary employment is practically free (up to 6 months) for the EAPs citizens. The overall situation may change if the constraint on the period of temporary employment (no work permit required) were to be relaxed. It is likely that a significant number of foreigners, who presently leave Poland after the maximum of six months of employment, would stay and work for a longer period. However, such relaxation of regulations is not currently considered. In general there is no sign of a significant change of current policies in the area of immigration. The most likely scenario is a continuation of the current status quo as regards admittance of the citizens of EAPs states to Polish labour market.

Last but not least, solving inevitable problems stemming from the growing flow of immigrants (based on historical Polish standards they can be perceived as somewhat large) should clearly focus on development of institutions responsible for social integration and contributing to prevent prejudice and other problems related to the perception of immigrants. For Poland an immigrant-friendly set of labour institutions and social infrastructure, if well designed and working efficiently, may be a contributory factor to the welfare and prosperity of the country.

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