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The New Migration Flow. An Analysis of Economic Factors of Poland and Spain

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Abstract: *This paper has been focused on the migration flow changes due to the economic factors, comparing differences and similitudes of two European countries with different migration antecedents and circumstances. Thus, Spain has been a traditional host country for economic migrants and Poland has been traditionally considered a sending or transit country, but after the economic collapse these roles have changed and Spain is involved in a severe economic downturn meanwhile Poland has continued to grow economically, therefore it has supposed several changes on the attractiveness of these countries from the perspective of migration. Through the analysis and comparison of international statistics about economic factors for migration this research has examined the evolution, effects and extension of current changes on migration flow of two countries of Europe with different economic situation that is affecting their future migration tendencies. The results have shown that 1) Changes on the economics factors are immediately reflected on the migration flow; 2) the deterioration of these factors in Spain has changed its status as destination country to a country with increasing emigration 3) opposite circumstances have declined the higher migration of Poland, but further investment in Research and Development should be necessary to maintain the economic development.*

Introduction

The migration flow has been intensified in the last years because a further deterioration in economic indicators during a longer economic downturn that is changing the current European scenery (Kaczmarczyk, Okólski 2008). The significance of economic factors on migration has been widely analyzed in the literature (e.g. Schierup et al. 2006; Fix et al. 2009; Rey, Cebrán 2010, pp. 481-498; Ciarniene, Kumpikaite 2011, pp. 527-533; Papademetriou, Sumption 2011).

These factors are different and changing over time, so it implies different impacts on the migration flow (Ciarniene, Kumpikaite 2011, pp. 527-533), which leads to different situations in any country and its partners, and therefore it should be carefully analyzed, because there is an important impact of migration on the economic development (Stulgienė, Daunorienė 2009, pp. 984-992).

In this sense, we can observe different situations and consequences for migration according to the state of economic factors of a country.

Thus, the emigration in Poland was very large, especially since its accession to the European Union (EU) in 2004, and at the same time this country was not regarded as an attractive destination for migrants because of the weak Polish economy (Kaczmarczyk, Okólski 2008), but since the recession Poland has continued economically growing, so even during this moment it changes the traditional migration flow toward a different situation, where the native migrants are starting to return to Poland as we are analyzing in this research.

At the same time, we have compared the situation of Poland with Spain, a traditional host country for migrants, especially from Latin-American countries, and where the migration flow is turning toward the emigration again since the 80's responding to a hard and longer economic recession with a severe worsening of national economics factors.

Therefore, the aim of this paper is to analyze how current variation of economic factors has affected the traditional migration flow in Europe with different impact according the state of economic factors of each country to understand this ongoing complex process. The analysis of the case of Spain and Poland leads toward a higher understanding of current changes in the migration flows and its consequences in a European framework, by grouping and comparison of the evolution of these economic indicators for each country. The analysis of this kind of population movements is also very important for researchers and policy makers, due to its strong influence on the economic situation in both sending and receiving countries.

Due to the lack of adequate data from various sources and research with a massive variety of movements and categories of migrants, and because these population movements are relatively new and still changing, we will focus on main factors and general trends (Kaczmarczyk, Okólski 2008).

We use a systematic analysis of the scientific literature and through a comparative analysis of statistical data about migration from the Organization for Economic Cooperation and Development statistics (OECD) and from the European Commission (Eurostat).

Thus, this research has been structured firstly analyzing the theoretical framework, then the discussion of effects and consequences of data analyzed, and finally conclusions are established.

Theoretical Framework

Spain has traditionally received migration from Latin-America due a historical relations and culture similitudes. It was because of political reasons until the 80's (García et al. 2009, pp. 55-70), later these emigrants were post-graduate students and middle-class economic migrants because of economic adjustment programs in Latin-America (Rey, Cebrán 2010, pp. 481-498). Since the 2000 migration to Spain turned towards massive emigration from Latin-America and from other European countries in the context of European integration (García et al. 2009, pp. 55-70; Rey, Cebrán 2010, pp. 481-498).

Immigration transformed the outline of the Spaniards. From being few (33 million) and equal population to being more numerous (46 million), heterogeneous and multicultural (Moroccans, Ecuadorians, Romanians or Asians made up a new country) (Solimano 2010; Martín et al. 2012, pp. 914-841).

However, a longer economic crisis has highly decreased the inflow of immigrants from dependent small economies and, at the same time, has motivated a higher outflow of Spanish emigrants (OCDE 2012), especially of higher-skilled migrants such as engineers, technicians, health workers and researchers and it could imply a future technical and intellectual impoverishment for the country (Martín et al. 2012, pp. 914-841).

In the case of Poland, it has a traditional emigration motivated by a difficult economic situation or the chance of extra earnings, which has become especially massive since Poland entered the European Union with free access to European labor markets (Iglićka 2000, pp. 61-73; Kaczmarczyk, Okólski 2008), especially to the United Kingdom, Germany, Austria, Ireland and the USA (OCDE 2012).

Poland has had a small immigrant population, the most of them from countries similar cultural background such as Ukraine, Belarus and Russia and other countries as Vietnam, China, and Armenia (Iglicka 2010).

More recently, there seems to be a reversing trend because economic slump of the traditional of host countries and the growth of Poland's economy, although the inflow is still superior to outflow (Iglicka, Weiner 2008, pp. 356-365; Iglicka 2010).

The migration flow is conditioned by several factors, but the economical ones are dominant because of their relevant role in the growth (Kumpikaite, Zickute 2012, pp. 387-394). This research is focused on economic aspects that affect migration of any country (Schierup et al. 2006; Stulgienė, Daunorienė 2009, pp. 984-992; Ciarniene, Kumpikaite 2011, pp. 527-533). The relevance of economic indicators change over time, and they affect economic development in different ways (Ciarniene et al. 2009).

The migration theories from the economic perspective have pointed up several main economic factors of migration that could act as pull and push forces on the migration flow. So when the benefits of these factors exceed the costs then the migration process starts (Mixon 1992, pp. 25-32).

Thus, according to literature the main factors analyzed have been the level of unemployment, the Gross Domestic Product (GDP) per capita, the wage and the Research and Development expenditures (Kumpikaite, Zickute 2012, pp. 387-394).

A higher unemployment increases emigration and vice versa (Kumpikaite, Zickute 2012, pp. 387-394). But the general belief that a higher immigration causes higher unemployment does not have empirical evidence (Heid, Larch 2012, pp. 1-42). Moreover, a reduction of long-term unemployment could mean a higher productivity and lower emigration.

The GDP per capita shows an international assessment of the level of progress and it is broadly accepted that a higher development could suppose a reduction of the extent of migration (Mixon 1992, pp. 25-32). GDP is also a measure about the impact of the economic cycle on migration flows, but its level of intensity depends on the nature of the crises and the different stakeholders involved (OECD 2012). In this way, during economic contraction people could seek better opportunities in other countries (Solimano 2010).

The wage has an important impact on migration, so when it increases the emigration tends to reduce (Kumpikaite, Zickute 2012, pp. 387-394).

The investment in Research and Development improves the country's prosperity, reducing the unemployment rate, but also emigration (De Haas 2010).

Thus, we analyze how the deterioration of these economic indicators is changing the migration flow, its consequences and trends for Spain and Poland, the countries representative of the European framework. We have used

a comparative analysis of statistical data about these indicators from the Organization for Economic Cooperation and Development statistics (OECD), from the European Commission (Eurostat).

Methodology and Discussion

We have focused on Spain and Poland, representative countries of European Union (EU) with a relatively well-development market, and where the economic crisis is having a different impact.

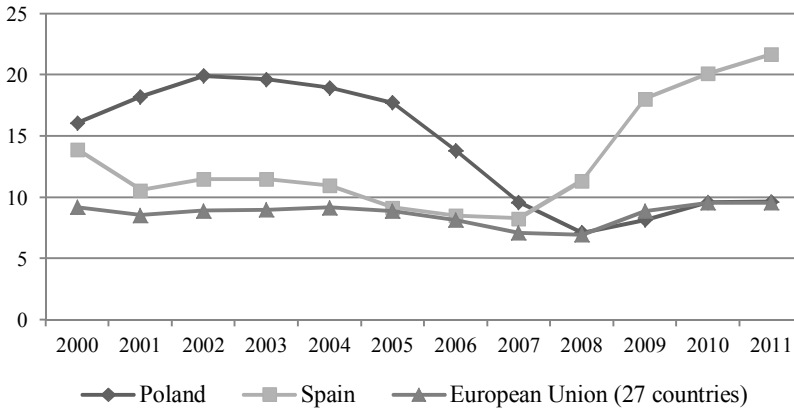
Spain has been a traditional host country for migrants, but under the crisis the migration flow has been transformed (Rey, Cebrán 2010, pp. 481-498). Poland has a big outflow, but in the recent years the worsening of host countries and a better economic situation of Poland in comparison with the rest of countries has caused a reduction of in its migration flow.

So, examining and comparing the evolution of the economic factors that have been analyzed in theoretical background for these two countries and for the average of the European Union, this research attempts to reach a better understanding about new situation of migration and its consequences in the current crisis period. Statistical data about migration have been obtained from the Organization for Economic Cooperation and Development statistics (OECD) and from the European Commission (Eurostat).

According to official statistics (Figure 1), the unemployment in Spain has largely increased since 2007 and it has been significantly higher than Poland and the European average from that time. Simultaneously, the opposite has occurred in the case of Poland, which has undergone a similar evolution to the European average from 2007.

The emigration in Spain was a reality until the end of 80's, but as Figure 1 has shown, the economic collapse has meant a greater pressure on the Spaniards to look for a job abroad, so the emigration is a reality in Spain again, especially for young and skilled people (Solimano 2010). In the case of Poland, the emigration was very intense after post-communism and later with the accession of Poland to the European Union (Igllicka 2000, pp. 61-73), but since 2007 the main destinations have suffered the impact of economic downturn, while Poland has continued to grow economically, even causing the long term and temporary native migrants to return to Poland (Igllicka 2010).

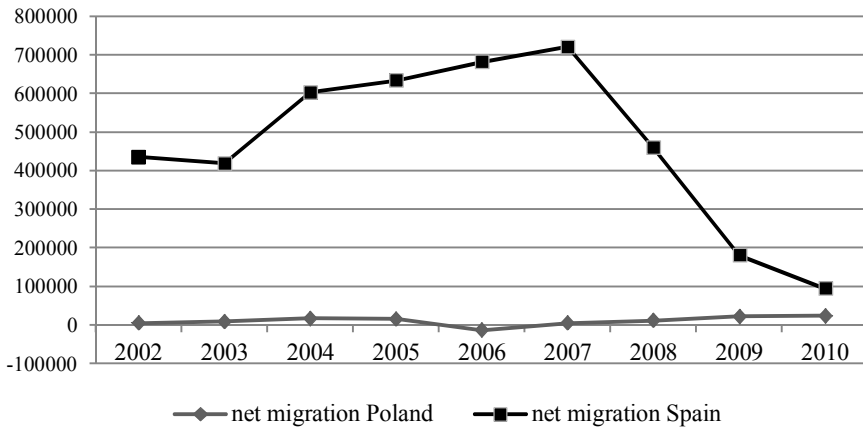
Figure 1. Unemployment in percentage of active population in years 2000- 2011 (in %)



Source: own calculations based on OECD (2012).

Thus, the long-term emigration of Poland and the last high immigration to Spain have been declined in recent years, showing a similar net migration flow (see Figure 2). It is a direct consequence of the rapid deterioration of Spain economy and other traditional host countries and the economic growth of Poland (Fihel 2011, pp. 1-89).

Figure 2. Net migration of Poland and Spain in years 2002- 2010

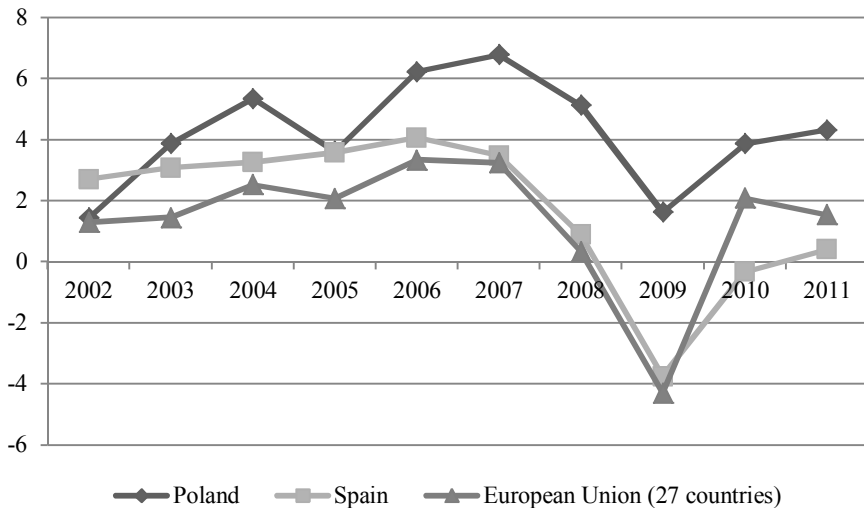


Source: own calculations based on OECD (2012) and Fihel (2011, pp. 1-89).

In this sense, we have observed how the European integration process helped to reduce disparities improving the European standard of living expressed by GDP per capita (Inotai 1998, 3-91), but the current recession and the fall of GDP could increase differences between European countries, promoting a negative migration flow in Spain (see Figure 2) because people are forced to seek better standards of life in other countries with better situation (Solimano 2010), such as Poland, where a growing participation in the common European market has seriously reduced the gap between Poland and the rest of Europe in recent years (see Figure 3).

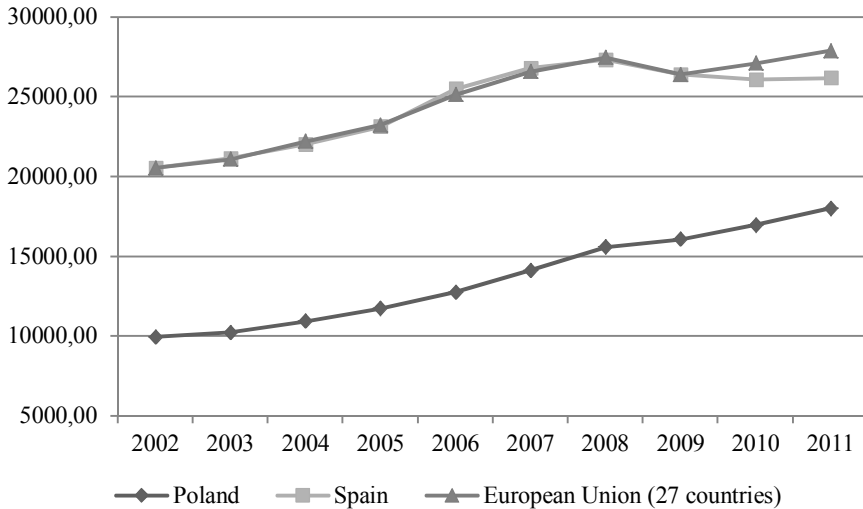
These relatively better economic state of Poland is linked with the inflow of the EU funds, but also with performance of Polish entrepreneurs, as well as a relative strength of domestic demand (Fihel 2011, pp. 1-89).

Figure 3. Gross domestic product per capita (in %)



Source: own calculations based on OECD (2012).

Furthermore, the migration flow is strongly affected by wages (Kumpikaite, Zickute 2012, pp. 387-394). A high wage is an attractive factor for foreigners, it is even more determinant for skilled workers with higher expectation of annual wage (Kumpikaite, Zickute 2012, pp. 387-394), even for the decision to return if they had emigrated (Piotrowski, Tong 2010, pp. 333-349).

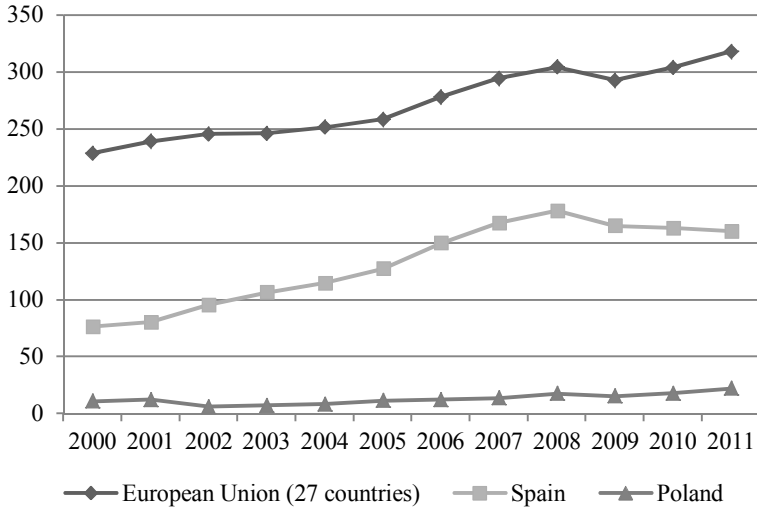
Figure 4. Average annual net wages (in USD \$)

Source: own calculations based on OECD (2012).

Thus, Figure 4 has shown an important increase of wages in Poland in the last decade according to its economic growth. Moreover, for Poland the period of strong migration due to a difficult situation on the labor market by severe unemployment (Figure 1) caused a shortage of supply of labor for Polish firms, which have increased the wages. It provides a new incentive for the return of long-term native migrants of Poland because the wage should be the most important adjustment of the labor market equilibrium to a massive outflow (Fihel 2011, pp. 1-89).

But, if we compare Poland with Spain and the EU (see Figure 5), there is still a lack of higher investment in Research and Development, which could pose a risk for the future growth of the country, because this kind of investment decreases the unemployment rate, as well as emigration (De Haas 2010).

Figure 5. Research and Development annual Expenditure (in millions of euros)



Source: own calculations based on Eurostat (2012).

In short, the economics factors analyzed have been traditionally below the average of the EU in the case of Spain, and this situation was worse for Poland, but during the economic recession these factors are undergoing a bigger decline for Spain, and the average of the EU, which is forcing significant changes in the traditional migration flow of Spain (see Figure 1), and in the same way, but to lesser extent, for the average of the EU. But in the case of Poland, there is a relatively better economic status linked with the inflow of the EU funds, but also with the performance of Polish entrepreneurs, as well as the relative strength of domestic demand. In any case it is important to maintain and improve the future growth the investment on Research and Development.

So, the behavior of economic indicators push and pull factors directly influence on the status of the migration flow.

Conclusions

This paper has analyzed the main economic factors that affect migration flow in Spain and Poland, comparing it with the European average. Due to economic crisis the deterioration of these factors supposes important consequences and changes.

We have analyzed the main economic factors that act as push and pull factors according their status.

Thus, according these economic indicators Spain is turning from a host country for migrants towards a sender country. In the case of Poland, it has been improving its economy and therefore the migration has strongly been reduced in the recent years.

As a consequence of rapid deterioration of economic indicators of Spain, the immigration has seriously dropped. And in the opposite way, the long-term emigration of Poland has been declined in recent years, becoming a similar net migration flow. So, changes in these economic indicators are immediately reflected on the migration flow.

The European integration has contributed to the reduction of differences between the countries, but the status of economic factors of each country determines the capacity to face a downturn of economy, and it affects the migration flow.

In this sense, the fall of GDP in Spain has again forced migration in this country. Moreover, the last bad situation of Poland caused a higher migration during the last decade, and consequently it reduced the supply of labor in this country, so besides the economic growth in Poland, the wages have caused changes in the decision about migrating or returning.

Finally, to maintain a higher economic development and the equilibrium of the labor force, it is very important to invest in Research and Development, and in the case of Poland we can observe a lack of it, if we compare it with Spain and the average of Europe.

As future research to extend the understanding of the effects and role of economic indicators we propose the analysis of others economic factors such as the level of prices and taxes and to include other dimension like social and political perspective finding new relations and causes.

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