Siek, E. / Bednarczyk, J. L.

Economic crisis and Polish people's migrations to the selected countries

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E. Siek, J.L. Bednarczyk

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1. Introduction

People's migration is a fairly common phenomenon occurring throughout the world almost since the beginning of time. Initially people migrated in search of fertile land for agriculture and raw materials indispensable for handicrafts. Great geographical discoveries contributed to the development of slave trade and populating overseas colonies. Since capitalism started to develop, we have dealt mainly with economic migration. As M. Okólski says (2003, p. 2) "International migrations of workers have been known since the turn of the 18^{th} and 19^{th} century. They began with a mass-scale recruitment of Chinese workers for work in gold mines on the island of Borneo. (…) Soon migrations embraced millions of inhabitants of China and India (also Japan and Oceania) who were relocated mainly to British and French colonies (as well as colonies of Belgium, Denmark, Germany, Spain, the Netherlands and Portugal) in Africa, America and Asia and nearby countries in Latin America and the USA." In the 20^{th} century mass migrations were observed to the countries of the Persian Gulf, industrial European countries, the USA and Australia.

Foreign migration is determined by many factors. It is not only the matter of their occurrence and impact but their perception as the forces motivating potential migrants to change the country of residence and work. They include economic factors as well as those being outside economy. The economic character of factors results, first of all, from non-uniform endowment of countries with labour force. This, in turn, contributes to the internationally diversified pay rates, opportunities of employment, etc. One of the crucial economic factors affecting development of foreign migration is also the economic cycle, which influences demand for labour.

The group of non-economic factors comprises political factors as well as cultural and historic ones. Among them, the most commonly quoted ones are the political system of the state and legal regulations, migrants' personal and family situation, standards and culture of living and the attitude of native inhabitants to national minorities. For the sake of this article, these factors are ignored.

In modern world in many countries the migration influx of the immigrant labour force is controlled by the state, that is it is ruled by different legal and administrative regulations stipulated in international agreements. Many countries, especially the ones which are economically well-developed, follow the policy of protectionism, apply various barriers and create obstacles to defend themselves against the foreign labour force inflow, or allow it selectively. Ca. 30 percent of the world countries have the policy of promoting migration of qualified workers, which leads to more "brain drain".

On the other hand, economists draw attention to the demographic process of society ageing in developed countries and negative birth rate. Therefore these countries need immigrants and they will need them in future to maintain the economic growth rate at an appropriate level.

For the last few years migration has increasingly been perceived as a phenomenon favourable for economic development of both individual countries and global economy as a whole. In well-developed countries immigrants contribute in a positive way to the general performance of the labour market and sustainable economic growth. What is often highlighted is the increased employment rate, the so called supplementary role of foreign worker inflow, supplementing deficits in qualified labour force. On the other hand, in the well-developed countries attention is paid to the effective use of labour resources, among others by development of outsourcing and, what is more, or perhaps first of all, the role financial resouce transfers made by migrants working in developed countries is highly appreciated as they often constitute an important source of financing for economic growth.

The financial crisis which started in the United States but has also spread, among others, to the developed European countries, may significantly affect the future development of migration. Three basic aspects are worth mentioning here. They include:

d) unemployment – growing unemployment in economically well developed countries may entail lower demand for foreign labour force;
e) international trade and foreign direct investments – economic recession may result in reduced trade and capital exchange in the form of FDI which, in turn, will have an unfavourable effect on production and employmentj;
f) financial transfers – financial crisis may have an unfavourable effect on the scale of financial transfers accomplished by migrants to the countries of their origin, on the one hand due to distrust for the widely understood financial system and, on the other hand, due to the loss of employment

by migrants, which may also contribute to their return to their motherland; without a shadow of doubt, this will find its negative impact on the economic developments of these countries, especially the economically weaker ones.

Immigrants in the USA and selected EU countries

Year after year more and more immigrants arrive in well-developed countries of Western Europe and the United States. In 2006, respective migration net coefficients were at a relatively low level, among others, in France and in Germany (see: Table 1).

Table 1. Inflows of foreign population into selected countries 1995–2006

Specification	**Inflows in thousand person**				**Net migration (per 1000 inhabitants)**
	1995	2000	2005	2006	2006
France	48.4	91.9	135.9	135.1	1.5
Germany	707.9	648.8	578.3	558.5	0.3
Ireland	21.5	27.8	66.1	88.9	15.9*
Italy	143.1	271.5	206.8	181.5	6.4
Spain	16.7	330.9	628.7	803.0	15.0*
United Kingdom	164.0	260.4	405.1	451.7	3.7*
United States	915.5	841.0	1122.3	1266.3	4.0

* 2005
Source: International Migration Outlook 2008, SPOEMI, OECD 2008.

In the analyzed period the decrease in the migrant influx (by ca. 20%) was observed only in Germany in 2006 when compared to 1995. In the remaining analyzed countries the number of incoming foreigners was constantly on the increase. In Spain migration increased ca. 50-fold (!), in Ireland - ca.-four-fold and in Great Britain and France it almost trebled.

Immigrants arriving in the analyzed countries, to a large extent, came from the neighbouring countries or from the countries which have been historically linked to them. In 2006, the largest group of immigrants in France were Algerians, Moroccans, Turks and Tunisians; in Spain – citizens of Romania, Bolivia, Morocco, Columbia and Great Britain; Poles, Turks, Romanians, Italians and Russians chose Germany, whereas Romanians, Albanians, Moroccans as well as Poles and the Chinese went to Italy. In Ireland, ca. 45% of immigrants are the citizens of EU-10, ca. 18% come from Great Britain and ca. 12% are the citizens of the remaining EU-15 countries. In the United States the largest group of immigrants were

Mexicans but a significant percentage were the citizens of China, the Philippines and India.

Most frequently immigrants were employed in the mining industry, construction industry and services especially those connected with health service (the so called "white personnel"), gastronomy and housekeeping. Due to the restrictions imposed by particular countries, very few foreigners are employed in public administration (see Table 2).

Table 2. Employment of the foreign-born by sector, 2005-2006 average (percentage of total foreign-born employment)

Specification	Agriculture and fishing	Mining, manufacturing and energy	Construction	Wholesale and retail trade	Hotels and restaurants	Education	Health and other community services	Households	Admin and ETO*	Other services
France	1.9	13.7	10.8	12.8	6.1	5.8	9.8	5.6	6.4	27.1
Germany	1.1	29.0	6.3	14.7	7.6	4.5	9.9	0.8	2.9	23.1
Ireland	2.3	16.0	14.2	11.8	12.3	5.5	10.8	1.1	2.5	23.6
Italy	3.5	23.6	14.2	11.3	8.7	2.7	4.7	10.4	1.8	19.6
Spain	5.6	13.0	19.7	11.2	14.2	2.9	2.8	13.3	1.1	16.1
United Kingdom	0.5	11.9	4.9	13.0	8.5	8.1	15.7	0.7	5.3	31.4
United States	2.3	13.7	11.8	13.3	11.3	15.6	-	-	2.5	28.9

* ETO = extra-territorial organizations
Source: International Migration Outlook, OECD SPOEMI 2008, p.73.

More and more often, the immigrants coming to developed countries of Western Europe and the USA possess suitable skills and qualifications. The lack of specialists in some professions in the countries of destination creates more opportunities of employment according to possessed qualifications. The phenomenon of „brain drain" is of significant importance for the destination country's economic development. It is also perceived positively by immigrants themselves. However, the phenomenon of "brain waste" is more and more frequently drawn attention to. The phenomenon is connected with the depreciation of workers' qualifications (a highly-qualified worker takes a job which does not require qualifications or skills).

Table 3. Employment of the foreign-born by occupation, 2005–2006 average (percentage of total foreign-born employment)

Specification	Legislators, seniors, officials and managers	Professionals	Technicians and associate professionals	Clerks	Service workers and shop and market sales workers	Skilled agricultural and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations
France	9.3	13.0	12.5	8.2	12.6	2.0	15.0	9.0	18.5
Germany	5.3	10.7	14.8	7.3	13.8	0.8	18.5	12.4	16.5
Ireland	10.5	18.6	6.1	9.3	19.3	-	14.6	7.4	13.4
Italy	5.1	4.7	9.4	5.1	12.6	1.6	23.9	12.5	25.1
Spain	4.7	6.5	5.8	4.4	19.0	1.9	18.5	6.6	32.7
United Kingdom	15.0	18.5	13.6	10.3	17.4	0.4	5.4	6.8	12.6
United States	9.0	6.9	1.3	4.4	11.6	12.0	24.9	10.0	19.9

Source: International Migration Outlook, OECD SPOEMI 2008, p.74.

Transfers made by immigrants to their native countries are crucial for the economic development of emigration countries. In the poorly developed countries of Africa, Western Asia, South America and Southern Europe they constitute a significant share in the GDP. Migrants support economies of both countries of destination and their countries of origin. In 2004, the global value of transfers made by immigrants amounted to 266 billion USD. The transfers to poorly developed countries were estimated at ca. 145 billion USD.(ca. 60% of total transfers), which represented ca. 1.7% of GDP generated by these countries. For many countries these transfers are the main source of obtaining foreign currencies and a very significant contribution to GDP. The transfers are used by families of low and medium incomes. They enable the migrants' families to make profit generating investments. They also allow them to support investment projects in particular regions.

4. Emigration from Poland

On 1st May 2004 Poland, together with other countries of Central and Eastern Europe, joined the EU structures. Before it became possible, appropriate negotiations were necessary. An important area of negotiations was the "area of a free flow of people" considered to be one of the most difficult issues.

The problem of a free flow of people was the most controversial one. The most difficult subject for the EU was giving Polish citizens the right of employment in the EU "core countries" (EU-15) after the membership date. As a result, a 7-year transition period was established of the 2+3+2 formula limiting the freedom of taking up employment in the EU area for Polish workers. However, majority of EU-15 countries declared readiness to shorten the transition period to the accessibility of their labour markets, which was actually implemented. The transition periods were not used by Great Britain, Ireland and Sweden. In 2006, Finland, Spain, Portugal, Greece And Italy opened their labour markets, whereas the Netherlands and Luxembourg did the same in 2007. On 1st May, 2009, Belgium and Denmark opened their labour markets. Restrictions in this area will still be present in Austria and Germany (until 2011).

Poland's access to European structures was an impulse for intensification of migration movements. However, it is difficult to speak about crucial changes in migration for permanent residence. Undoubtedly, more intensive migration movements were observed ca. two years after Poland had become a EU member, i.e. in 2006 and 2007. It is not known, however, whether these changes were incidental or started a new trend. Certainly it will be known in the course of a few years. Opening labour markets by the EU countries caused that the so called temporary migrations (over 3 months) have become more frequent. Year after year more and more people decided to work abroad, especially in Great Britain, Ireland and Germany (see Table 4).

Table 4. Emigration for permanent residence and population temporary absence of above 3 months due to departure abroad* in the period 2004–2007 (thousand person)

Specification	**Permanent**				**Temporary**			
	2004	2005	2006	2007	2004**	2005	2006	2007
Total	18.9	22.2	46.9	35.5	20.7	31.1	50.7	72.8
France	0.3	0.3	0.6	0.5	0.7	0.9	1.3	1.6
Germany	12.6	12.3	14.9	13.8	7.3	8.1	9.1	10.7
Ireland	0.1	0.4	2.3	2.1	0.3	1.6	4.7	8.4
Italy	0.3	0.4	0.9	0.8	1.2	1.6	1.9	2.3
Spain	0.2	0.3	0.6	0.6	0.6	0.8	1.2	1.7
United Kingdom	0.5	3.1	18.0	9.2	2.3	7.8	19.3	30.1
United States	2.4	2.6	3.9	3.1	3.8	4.3	4.6	5.0

* persons for whom temporary absence has been recorded in the local registration office
** above 2 months
Source: Rocznik demograficzny Polski, GUS, selected editions.

However, statistical data do not reflect the actual situation. It is difficult to estimate the actual number of Poles staying abroad. It is also difficult to estimate how many Poles returned to Poland after a relatively short period of emigration (for example, due to the linguistic barrier or problems with finding a job). In many debates, especially political ones, it is said that several million of young Poles left in search of work before and after Poland's accession to the EU.

A report published in April 2009 by the Office of the Committee for European Integration (UKIE) and dealing with the 5-year period of Polish membership in the European Union (UKIE, 2009, p. 265) indicates that, to a large extent, emigrants from Poland are young people of relatively high vocational qualifications. On many occasions they are employed below their qualifications in the construction industry, agriculture, household services, hotels and gastronomy. The same report reveals also that some Polish workers took up jobs abroad without permits or did not comply with the obligation to register or otherwise legalise their stay either due to the fact that they were not familiar with respective procedures or did not know the language. Incidents of coerced work were reported.

The said report (2009) also drew attention to the financial transfers from abroad which in the period 2004-2007 doubled (from ca. PLN 10 billion to ca. PLN 20 billion). The National Bank of Poland estimates that transfers came mainly from Germany (ca. 29%), Great Britain (ca. 12%) and Ireland (ca. 5%). The said transfers were of modernising nature (expenditures on apartments and education) and fulfilled social function (improvement of the material status, stimulating economic activity in local communities).

4. Summary and conclusions

Changes in the global economic situation resulting from the spreading economic crisis, are not indifferent for the situation in the European labour markets. At present, it is difficult to predict the range and depth of the crisis. In the case of economic recession, immigrants are the first to lose jobs. The return of emigrants to their native countries (most frequently, they are developing countries) may entail dangerous consequences for the economic development of these countries. On the one hand, it will cause decrease in the scale of financial transfers to the immigrants' countries (in its pessimistic scenario, the World Bank estimates a decrease of about 6% in 2009); on the other hand, it will increase the already high unemployment.

Calling for reduction in migration to countries of destination is often based on a misguided opinion that immigrants "steal" jobs of native inhabitants. Actually, these are immigrants who increase economic activity and create new workplaces. In view of the IOM (International Organisation for Migration) World Migration Report 2008, workers' mobility boosts economic development and enhances efficiency of destination countries' economies. What is more, workers' migration can contribute to eliminating different negative aspects of the financial crisis and overcoming economic slowdown.

Nevertheless, one must be prepared to witness some negative effects of the crisis, among others:

a) losing a job, especially by immigrants employed in the construction industry, industrial processing, finance, trade and tourism;
b) possible wage reduction and worsening of the companies' financial standing in an attempt to cut costs and limit social allowances; all these affect migrants' standards of living and health;
c) a risk of discrimination and xenophobia towards immigrants;
d) reduced financial transfers to developing countries due to the loss of jobs by migrants and distrust of banking systems;
e) introduction of restrictive migration policies in economically developed countries in order to protect the local labour market and, consequently, limiting employment opportunities for foreign workers;
f) increase in illegal migration, development of "black" (informal) labour market, including worker trafficking.

The hitherto crises in global economy (e.g. the oil crisis or the Asiatic one) did not contribute to a significant decrease in migration flows. On the contrary, migration movements continued to occur, mainly due to major structural worker deficit in some sectors in the developed countries. Migrants were not discouraged by a growing unemployment rate in these countries, either.

Shall we expect then mass returns including those of Poles? This question cannot be answered unambiguously. Certainly, majority of workers will decide to return to their native countries. However, it is difficult to assess the scale of these return migrations. Prof. Krystyna Iglicka from the Centre for International Relations estimates that ca. 400 thousand Poles can lose their jobs in Great Britain and Ireland (Wprost, 2008). Some workers may decide to wait for the end of the unfavourable period in hope that the crisis will not last long. Another part of workers will decide to seek employment in other countries (e.g. Norway or Canada). Obviously, it depends on their mobility.

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Summary

The foremost aim of the article is to present general implications of the contemporary financial crisis for the labour migrations in Poland and some other selected countries. The paper consists of four parts. The first one outlines general tendencies of international labour migrations and channels through which the contemporary financial crisis is transmitted to labour markets. It is followed by a presentation of specific features of labour

immigration into the USA and some selected European countries in the period from 1995 to 2006. The third part deals with basic problems of labour emigration from Poland in recent years. The article ends with a summary and some basic conclusions.