



# Immigration as a labour market strategy - European and North American Perspectives

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## Poland

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# Poland

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## Executive Summary

In the last 15 years, Poland has changed its character from a purely emigration to an emigration-immigration country. In Poland, it is important to note that the political debate has centred on the questions of asylum and border protection, not economic migration. As such, there is a gap in legislative and research activities in this area.

Immigration has not been a subject of nationwide debates. This is largely because the numbers are quite low (legal foreign residents do not exceed 50,000); and legal residents are generally relatively invisible (they come from culturally and racially similar ex-USSR countries).

In Poland, most registered migrants with work permits come from European countries. They are usually employed as top managers or consultants or self-employed owners of businesses. Those from the EU-15 countries are more likely to occupy managerial positions, whereas migrants from Asia tend to be self-employed. Ukrainian migrants are significant in number. They are generally attracted to teaching and construction (two sectors facing shortages). Illegal immigration is not a significant problem. Undocumented workers present a bigger problem. They number between 50,000 and 450,000 people. However, concern about immigrant workers, both with and without papers, is not significantly high, because they either fill certain skill gaps, or perform jobs the Poles refuse to take.

The unemployment rate in Poland is around 19 per cent. It is mainly a structural unemployment, resulting from broad system transformation and changes in the labour market. At the moment, the most pressing problem is the missed match between the available skills and market requirements. Another problem is growing number of working age people entering the tight, highly competitive labour market. Entering the EU in May 2004 did not help to balance the tension through emigration. On one hand, the predictions for the immediate future show growing pressure on the labour market of the baby-boomers with mismatched skills (too many workers with the wrong skills). On the other hand, long-term demographic projections indicate there will be a significant proportional reduction in the 'working-age' population in Poland. This change is forecast to take place in 10 or 20 years. However, the challenges presented by such a scenario are not yet considered critical by politicians. Instead, this issue is looked upon as a 'long-term planning' issue of secondary importance.

The focus is now on the limited ability of the labour market to absorb the available workers. The main issue for the short-term is to solve structural problems in the economy; to cut unemployment and then to reduce the problem of emigration and brain-drain. Among other things, the government must focus on the re-qualification and professional integration of different groups (women, recent graduates). A long-term migration policy should focus on attracting qualified immigrants in chosen areas. In Poland, immigration issues are tackled reluctantly, but in the future Poland will most likely open the market to culturally similar groups, preferably of Polish origin. It has been acknowledged that in the future Poland will compete with other Western European countries for the same skilled migrants and it should prepare for this competition.

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## Introduction

In the last 15 years, Poland has changed its character from a purely emigration to an emigration-immigration country. In Poland, it is important to note that the political debate has centred on the questions of asylum and border protection, not economic migration. These issues were of key concern during the process of European integration, when governments were expected to introduce specific measures to meet the requirements of the *acquis*. The requirements of the *acquis* did not include economic migration concerns. As such there is a gap in legislative and research activities in this area. Immigration has not been a subject of nationwide debates so far.

Nevertheless, the issue of economic migration to Poland has emerged on several occasions, mainly during the debates on the Act on Promotion of Employment (2004), the National Action Plan for Employment (2005), and the first comprehensive reports on the presence of foreigners on the Polish labour market, issued in 2005. This interest has also increased, thanks to new EU level agendas as declared in the Hague Programme (European Council, 4 - 5 November 2004) and the Green Paper on *An EU Approach to Managing Economic Migration* (COM (2004) 811 Brussels, 11.1.2005). After 1 May 2004, Poland found itself in a new position in the European political arena – not as a candidate country, but as a member of the European Union. This change in status has also influenced the debates and has given them a new 'spin'.

In this report we offer an analysis of the political arguments on the issue of economic migration to Poland, as articulated in 2004 and 2005. We will focus on the elements of the national debate that are related to the EU level mechanisms and which are present in the public, academic and political discourse.

## I. Verifying the economic impact of immigration

### Basic statistical data

#### Definition of immigrants

In Poland, the statistics run by the Central Statistical Office define "immigrants" as foreign residents, who have arrived and decided to settle in Poland, and have thus registered with the proper local authority, usually a local Registry Office. This definition applies both to foreign citizens (immigrants) and Polish citizens (returning migrants, repatriates). Because of this, official statistics cannot isolate numbers for foreign-born non-Polish residents.

The terms "immigrant" or "immigration" are not used in other statistical data; instead categories include residents, foreigners granted permanent residence permits, and foreigners granted temporary residence permits. Permits are granted by the Office for Repatriates and Aliens, and have no relation to the registration with Registry Offices. A foreigner is obliged to register with a Registry Office after 2 months in Poland, regardless of their residence permit status (e.g. in non-visa flows).

The National Census of 2002 is a useful source of information. It contains statistics on foreigners registered for temporary or permanent residence in the category of "residents". However, this category does not include data on their residence permit status. Instead, it encompasses all foreigners staying in Poland during the time of the census, i.e. May 2002.

#### Data on stocks and flows

The flows of immigrants as defined in the official statistics are not measured separately. Instead, border guards provide statistics on border crossings. It should be noted that these statistics include all types of foreign visitors.

Tab. 1 Incoming foreigners - border crossings (change 2003-2004, in thousand)

	2002	2003	2004	Change 2003 / 2004
<b>Total</b>	<b>50734,6</b>	<b>52129,8</b>	<b>61917,8</b>	<b>18,8%</b>
Germany	23654,7	25456,5	34122,1	34%
Russia, Belarus, Ukraine	11939,0	10193,9	9466,2	-7,1%
EU 15 (without Germany)	1700,3	1681,9	1834,4	9,1%
New EU countries	12582,1	13898,6	15465,7	11,3%
Europe - other	261,7	276,9	297,9	7,6%
Main overseas countries	311,1	333,8	405,1	21,4%
Other ex USSR	108,1	112,1	116,9	4,3%
Other	177,6	176,0	209,5	19,0%

Source: Polish Chamber of Tourism after Border Guards

This table shows an overall increase in foreigners crossing the border to Poland, especially on the border with Germany. However in reality, this increase could be the result of short cross border shopping visits. It is also interesting to note that the number of visitors from the East has dropped, almost certainly due to the new visa regime introduced in September 2003. However,

border crossings do not reveal illegal movements. In 2003 the number of foreigners detained in Poland reached 6,000. This represents an increase of 16 per cent compared to 2002.

The table below shows the net international migration in Poland over the last four years. The figures show a decrease in net migration, which should help to balance the figures in the near future. The changes to the overall net migration figures are the result of a decline in emigration (from 14,000 in 2000 to 8,000 in the first half of 2004) rather than a significant increase in the number of immigrants (from 3,000 in 2000 to 4,000 in the first half of 2004).

Tab. 2. International migration. Poland: 2000-2004

Year	Period	Emigrants	Immigrants	Net migration
<b>2000</b>	01-06	12,844	3,095	-9,749
	07-12	14,155	4,236	-9,919
<b>2001</b>	01-06	11,617	3,285	-8,332
	07-12	11,751	3,340	-8,411
<b>2002</b>	01-06	10,617	2,900	-7,717
	07-12	13,915	3,687	-10,228
<b>2003</b>	01-06	9,936	2,975	-6,961
	07-12	10,877	4,073	-6,804
<b>2004</b>	01-06	8,022	4,214	-3,808

Source: Central Statistical Office (Central Population Register – PESEL)

When we define immigrants as people who do not have Polish citizenship, the National Census shows they made up only 0.1 per cent of the total population in May 2002.

Tab. 3 Citizenship Status in May 2002

Citizenship	Percentage	Total population		Urban		Rural	
		Total	of which: women	Total	of which: women	Total	of which: women
<i>Actual numbers (in thousand)</i>							
<b>Total</b>	<b>100%</b>	<b>37,620.10</b>	<b>19,382.60</b>	<b>23,145.00</b>	<b>12,120.20</b>	<b>14,475.10</b>	<b>7,262.40</b>
Polish	98.5	37,040.30	19,090.50	22,625.70	11,859.10	14,414.60	7,231.30
Only Polish	97.7	36,737.70	18,941.80	22,486.90	11,790.60	14,250.80	7,151.30
Polish and other	0.8	302.5	148.6	138.8	68.5	163.7	80.1
<b>Non-Polish</b>	<b>0.1</b>	<b>49.2</b>	<b>24.7</b>	<b>37.6</b>	<b>18.3</b>	<b>11.7</b>	<b>6.4</b>
Foreign	0.1	48.7	24.4	37.1	18.1	11.6	6.3
Stateless	0	0.5	0.3	0.5	0.2	0.1	0
Unknown	1.4	530.6	267.5	481.8	242.8	48.8	24.7

Source: National Census 2002, Central Statistical Office

According to National Census, women constituted half of the total 49,200 foreign residents (50 per cent), which is on par with the Polish population (51 per cent). More foreign residents lived in urban areas (almost 70 per cent) than in rural areas, and the gender distribution was proportional.

Tab. 4 Immigrants by gender and age - Poland 2001-2003

Age	Men %			Women %		
	2001	2002	2003	2001	2002	2003
-20	26.0	26.2	25.3	28.4	29.1	28.3
20-49	49.8	49.8	51.7	43.6	43.7	43.8
50+	24.2	23.3	23.0	28.0	27.1	27.9

Source: SOPEMI, after Central Statistical Office (Kępińska, Ewa 2004, No. 56)

Almost half of the registered migrants are in a productive age bracket (20 - 49 yrs), and the proportion of migrants below 20 yrs and above 50 yrs is evenly distributed, with a ratio of almost 50:50.

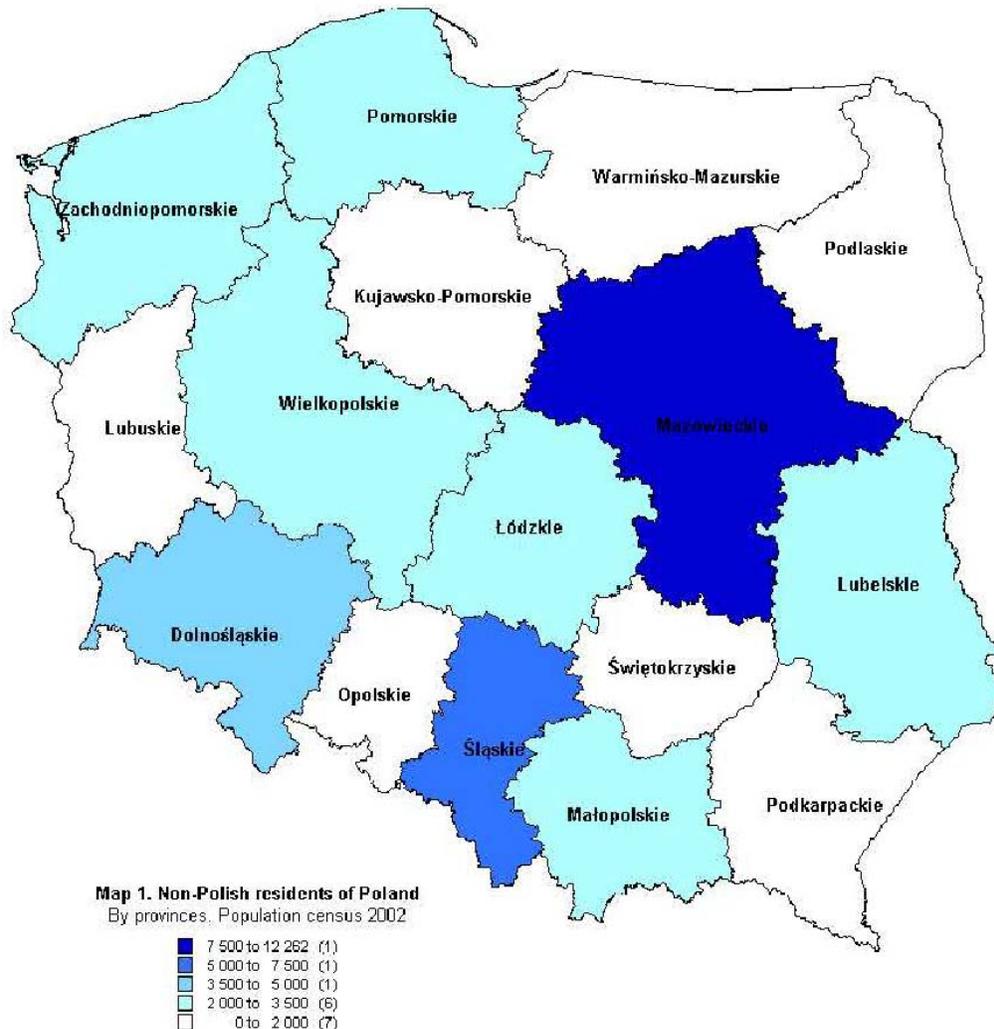
Tab. 5 Immigrants by the region of origin – the most popular regions of origin

						Per cent of the total		
	2001	2002	2003			2001	2002	2003
			Total	Male	Female			
<b>Total</b>	<b>6,625</b>	<b>6,587</b>	<b>7,048</b>	<b>3,710</b>	<b>3,338</b>	<b>100</b>	<b>100</b>	<b>100</b>
EU-15	3,448	3,575	<b>3,503</b>	1,882	1,621	52	54.3	49.7
Former USSR	1,144	920	<b>1,110</b>	461	649	17.3	14	15.7
Canada	282	230	<b>351</b>	164	187	4.3	3.5	5
USA	1,008	1,137	<b>1,216</b>	670	546	15.2	17.3	17.3
Vietnam	70	124	<b>151</b>	105	46	1.1	1.9	2.1

Source: SOPEMI 2004, after the Central Statistical Office.

The above table provides immigration figures as defined by the Central Statistical Office. The main regions of origin include European Union countries (predominantly Germany), the United States and Canada, as well as the countries of the former Soviet Union. It is interesting to note that immigration from EU countries has decreased, with an exception of the UK (25 per cent increase in 2003). An increase is visible also in the case of North America, the former Soviet Union and Vietnam (by 15 per cent, 21 per cent and 22 per cent respectively). Only Belarus (in the Tab. 5 as part of ex-USSR) reported a small decline (by 5 per cent).

Fig. 1 Distribution of Registered Foreigners in Poland in 2002



Source: SOPEMI 2004

Foreign residents are usually registered in the Warsaw area (Mazovian Voivodeship) and Lower Silesia and Silesia Voivodeships. The first case is related to the number of foreign companies registered and operating from Warsaw. In the case of both Silesia regions, the number of foreign residents is linked to the existence of German businesses in the area and to the fact that some members of the German community have claimed German citizenship (with some renouncing their Polish citizenship).

As for the third country nationals (TCNs), in 2004 the Polish authorities issued 28,324 temporary and 4,448 permanent residence permits. They usually were granted to citizens of Ukraine (33 per cent and 37 per cent), Russia (6 per cent and 10 per cent), Vietnam (7 per cent and 8.8 per cent) and Belarus (7.5 per cent and 8.9 per cent).

In addition, there are between 600,000 and 1,000,000 undocumented migrants, or migrants with irregular status in Poland.

## Participation in the labour market

In 2002, 68.4 per cent of resident migrants held a higher education diploma, 23.8 per cent had a secondary education, only 4.8 per cent had vocational qualifications, and 2.7 per cent had no more than an elementary education (Golinowska, Stanisława ed. 2004).

As noted in the previous section, the resident migrants come mostly from western European countries and the US. Their influx was caused mainly by the economic opportunities that opened up for international business in Poland after 1989. Most registered resident migrants can be described as professionals. Their professions can be identified through an analysis of the work permits awarded.

Tab. 6 Work permits granted individually by country of permanent residence and qualification / occupation - Poland 2003

Permanent residence	<b>Total</b>	<i>Of which: by qualification</i>				<i>Of which: by occupation</i>			
		Manager expert consultant	Owner	Skilled worker	Unskilled worker	IT worker	Artist	Medical worker	Teacher
Total	<b>18,841</b>	<b>8,632</b>	<b>4,835</b>	<b>1,992</b>	<b>339</b>	<b>218</b>	<b>337</b>	<b>378</b>	<b>2,909</b>
Europe	<b>13,730</b>	6,363	3,427	1,189	279	184	299	245	2,312
EU-15	<b>7,845</b>	4,227	2,430	300	7	67	16	23	898
Former USSR (Ukraine)	<b>4,931</b> <b>(2,750)</b>	1,738 (832)	884 (450)	702 (340)	111 (75)	97 (78)	262 (128)	210 (122)	1,370 (1,030)
Asia	<b>3,563</b>	1,577	1,068	700	48	17	18	117	50
Turkey	<b>665</b>	289	246	113	5	3	-	1	5
Vietnam	<b>630</b>	166	228	223	3	1	1	-	4
America	<b>1,145</b>	532	304	44	6	8	6	4	424
USA	<b>846</b>	395	273	26	1	7	3	3	286
Africa	<b>263</b>	88	20	51	6	4	14	6	70
Oceania	<b>127</b>	68	15	4	-	5	-	2	52
Stateless	<b>13</b>	4	1	4	-	-	-	4	1
Unknown	<b>13</b>	4	1	4	-	-	-	4	1

Source: SOPEMI 2004 after Ministry of Economy and Labour

Registered migrants granted a work permit come predominantly from European countries (73 per cent) with 57 per cent from the EU-15 (mainly Germany, France and the UK), and 36 per cent from the former USSR, with the majority coming from Ukraine (55 per cent). Migrants are usually employed as top managers or consultants (46 per cent) or self-employed owners of businesses (26 per cent). EU-15 migrants are more likely to occupy managerial positions, whereas migrants from Asia tend to be self-employed. There is also an interesting trend in the case of teaching positions, where Ukrainian migrants are numerous.

Tab. 7 Work permits granted individually by branch of economic activity (twelve top countries of origin) - Poland 2003

Country of permanent residence	Total	Branch of economic activity							
		Manufacturing mining	Construction	Trade	Hotels restaurants	Financial intermediation	Real estates activities	Education	Health social work
<b>Total</b>	<b>18,841</b>	<b>3,785</b>	<b>763</b>	<b>4,660</b>	<b>1,045</b>	<b>2,945</b>	<b>2,665</b>	<b>408</b>	<b>2,570</b>
(EU-15)	7,845	2,279	465	1,355	147	1,765	782	19	1,033
(Former USSR)	4,929	710	102	1,399	81	321	1,292	223	801
Ukraine	2,750	310	47	665	43	150	1,002	137	396
Germany	1,865	665	135	336	29	350	66	7	277
France	1,491	424	102	464	56	222	59	1	163
United Kingdom	1,438	179	37	111	14	398	532	4	163
United States	846	112	24	56	7	259	274	0	114
Belarus	828	149	23	172	4	66	205	41	168
Russian Federation	698	137	18	257	12	78	45	24	127
Italy	676	342	30	86	16	119	11	2	70
Turkey	665	80	38	342	89	79	6	1	30
Vietnam	630	1	-	338	262	13	-	-	16
India	597	35	1	370	47	90	12	1	41
Netherlands	455	147	5	52	9	131	6	2	103
Other	5,902	1,204	303	1411	457	990	447	188	902

(a) Other includes *inter alia* Agriculture, Forestry, Fishery, Transportation

Source: SOPEMI 2004 after Ministry of Economy and Labour

Work permits are usually granted for more than 3 months (86 per cent). The income level of registered residents varies according to the economy sector and the occupied position. Usually, managers and consultants earn several times more than the national average. However, teachers in public schools earn the same salary as their Polish counterparts. There are no visible differences in other sectors, but the disparity in wages is obvious in the case of illegal workers.

Registered migrants are scarce in sectors such as construction and low skilled health care or social work. This work is often performed illegally by foreigners on visitor visas.

### Undocumented workers

An overall assessment of the numbers and flows of undocumented migrant workers is impossible. Further, the present estimations are very inaccurate, based mainly on the calculation of trans-border movements. Before the introduction of the visa regime (September 2003), the National Labour Office estimated foreign undocumented labour figures were between 600,000 and 900,000 workers. Other estimates for the same period were as low as 100,000 to 150,000 (interview with Dr Agata Górný, Centre of Migration Research, Warsaw University).

The new visa regime led to an initial drop in the number of foreign visitors but numbers are starting to grow again. As recently reported by the Office of Repatriation and Aliens, the number is now estimated to be ca. 450,000 undocumented workers (Bielecki 2005). However, there are also other estimates of 50 to 300,000 (Korczyńska 2005, p. 8).

Undocumented foreign workers are usually visitors from Ukraine and Belarus.<sup>2</sup> Most of them have a 90-day visa, the legality of their stay only changes when they stay beyond this 90-day period. It is therefore commonly stated that the share of illegal immigrants in the shadow economy is relatively insignificant (interview with Dr Agata Górny, Warsaw University).

## The economic impact of immigration in Poland

### The current labour market

The Polish economy has been a significant factor in constraining the levels of immigration. The country has still not recovered from the economic decline of 1999 - 2002, despite some growth since 2003. In 2002, the annual GDP was 1.4 per cent, and it increased to 3.7 per cent in 2003. The increase was driven mainly by exports and private consumption, which fuelled further growth in 2004 (to 5.3 per cent). At the moment this growth is not reflected in employment figures.

In the last few years, the unemployment rate has sky-rocketed. In 2002 - 2003, it was as high as 20 per cent. In December 2004, the unemployment rate did drop to 19.1 per cent, however, it is still hovering around 19 per cent and it is only expected to drop to 17 per cent in 2005 and 2006. It is important to understand that this is structural unemployment. A large proportion of this unemployment rate can be considered the natural unemployment rate, i.e. related to the balance between the demand and supply in the labour market based on real wages. A healthy (competitive) economy would still have between 12 and 15 per cent unemployment in Poland.

The structure of employment has been heavily influenced by the systemic changes which have taken place since 1989. According to the Annual Statistical Databook of the Central Statistical Office, 53 per cent of the work force was employed in the public sector in 1989. However, since then, the situation has since changed significantly: In 2002, almost 74 per cent of all those working were employed in the private sector. This change is the result of:

- A dramatic collapse of big state-owned enterprises (and the unregulated and chaotic privatisation of these enterprises), and
- The growing number of Polish companies and small to medium enterprises (SME's), especially in the agriculture and the services sectors.

Table 8. Structure of employment by market sector\* in Poland 1990-2002 (percentage)

Year	Agriculture	Industry (with construction)	Services
1990	26.6	36.1	37.3
1993	26.7 (25.9)	30.6 (31.1)	42.7 (43.0)
2001	28.8 (19.0)	25.3 (29.9)	45.9 (51.1)
2002	(18.5)	(28.5)	(53.0)

\* BAEL data from November (IV quarter in brackets); Central Statistical Office data for each year.

Source: UNDP Report on Social Development. Poland 2004.

<sup>2</sup> It must be noted, that the majority of such "visitors" are Ukrainians, since their visas are issued free of charge. They come usually from small towns and villages in Western Ukraine. They find employment in petty trade, construction and domestic work.

The changes in the employment structure have occurred mostly against textbook logic. The services sector has grown very slowly, while industry employment has remained relatively stable. Most interestingly, there has been a very slow decrease in agriculture employment (though BAEL and Central Statistical Office have been contradictory here). Agriculture has been an alternative source of employment for those who were made redundant in the industry sector. Shrinking opportunities in low-skilled employment in the industry sector, and the development of sectors requiring higher skills has reduced opportunities for workers who had been cherished in the time of communism. There have been significant problems in areas where people had been employed in State Farms (now bankrupt) because other forms of employment (industry, trade) did not exist, and they have not been established since. The collapse of State Farms has resulted in prolonged periods of unemployment for entire villages, especially in Western Pomerania.

Youth unemployment (18 to 24 yrs) is another significant problem. In the first quarter of 2004, youth unemployment reached 46 per cent. The lowest rates of unemployment can be seen in the age groups of 35 to 44 yrs (17 per cent) and 45+ (15 per cent). However, it is important to note that a lot of people aged 45+ have embraced the state policy encouraging earlier retirement.

The level of unemployment also correlates with educational background; in 2004 only 7 per cent of persons holding a university degree were unemployed, this figure rises to over 25 per cent for people with primary school education or vocational training. There are also distinct trends in the spatial distribution of unemployment. In 2004, in Mazovia Voivodeship the unemployment rate was 16 per cent (due mostly to the low levels of unemployment in Warsaw area), but Lower Silesia, Warmia-Mazury, Kujawy-Pomerania, and Lubuskie Voivodeships suffer from over 25 per cent unemployed.<sup>3</sup> High rates are caused by inadequate infrastructure, the bankruptcy of big state-run industries (including State Farms), and a lack of new investment in the regions (MGIP 2004, p.20-26).

Interestingly, those who are unemployed are still very selective in terms of the type of work they will accept. Many refuse to work for low wages, which means that they will either remain unemployed or opt for irregular employment in Poland or abroad (Kaczmarczyk, Paweł, Wojciech Lukowski ed. 2004; Kępińska 2004; UNDP Report on Social Development, 2004). As a result, almost 50 per cent of those unemployed in 2002 were long-term (over 12 months) unemployed (UNDP Report on Social Development, 2004).

### **Immigrant workers in the Polish labour market**

Before 1990, foreign workers were rare. Even after the collapse of communism, the number of foreign workers (employed immigrants) is lower in Poland than in other CEE countries, smaller than, for example the Czech Republic or Hungary (Grzymała-Kazłowska & Okólski 2003, No. 50).

The Polish labour market offers two kinds of openings for foreigners: one is for migrants with either high or highly specialised skills, the other is for those seeking unskilled work. The trend for highly skilled migrants is to work in financial services, insurance or real estate agencies, investment or commercial banks, big industrial plants and supermarkets, as managers and experts; on the lower end, foreigners work in several small labour market niches including, retail

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<sup>3</sup> According to BAEL the difference is even greater: Mazovia Voivodeship – 15 per cent, Warmia-Mazury – over 30 per cent

and wholesale trade, fast food, seasonal work in agriculture, petty trade, night-bar entertainment, household services, builder or refurbishing jobs (Grzymała-Kazłowska & Okólski 2003, No. 50, p. 16). A recognisable feature of the post-1990 labour migration in Poland is its temporary nature: highly skilled professionals usually come for long contracts, while low-skilled migrants choose a pattern of shuttle migration. The first group constitutes the majority of work permits issued, whereas the second group is either self-employed or works illegally. As noted by Kazłowska and Okólski, a legally employed foreigner is usually a man (74 per cent) and a university graduate (54 per cent) whose employment in Poland is temporary (calculated for 2001). Women and less skilled workers are usually employed illegally.

The pattern of employment of resident migrants in Poland shows clearly that they have hardly any impact on the economy. In a recent report on foreign workers in the Polish labour market, experts from the National Chamber of Economy (pub. March 2005) stressed that the small scale of the foreign presence, not exceeding 1 per cent of the entire labour force, rules out any pressure on the labour market. According to the experts, legal residents working in Poland do not influence the wages or the structure of employment.<sup>4</sup> Foreigners will only become a threat to the labour market if their numbers increase significantly.

The debate surrounding legally employed immigrants is thus quite limited. Politicians often claim there is a need to attract highly skilled professionals to Poland, and many have argued for the simplification of work permit procedures.<sup>5</sup> This attitude was also articulated during the debates on the Aliens Law in 2003, when politicians made a clear distinction between skilled foreigners in managerial positions and unskilled illegal workers. The outcome of this debate provided the impetus to change permit procedures for sportsmen and teachers (Act on Promotion of Employment and Labour Market Institutions of 2004, (Dziennik Ustaw. 2004, No 99, item. 1001)).

To sum up, the Polish labour market contains two clearly defined groups: the legally employed foreigners, usually highly skilled, from western countries; and low skilled undocumented foreign workers from the east.

### **Undocumented foreign labour**

Immigrant workers employed illegally in Poland find employment in the secondary sector of the economy. They undertake seasonal work in agriculture, especially in the eastern parts of the country and in the Warsaw area. They are also employed in small and medium sized construction companies (bigger companies are often better regulated, so they employ Polish workers or legal migrants) (Expert interview with Dr Agata Górny, CMR, UW). Illegal workers are not employed in industry.

In a recent study, a team from the Institute of Public Affairs researched a group of illegally employed Ukrainians, Russians and Byelorussians in the Warsaw area revealing some interesting data:

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<sup>4</sup> Of course, we get a quite different picture when we consider the informal economy, where, according to various estimations, ca. 50.000-300.000 foreigners are employed. They usually come from the Eastern neighbouring countries, and work in construction, house service and seasonal agricultural jobs.

<sup>5</sup> As was the case during the recent debate over the Act on Promotion of Employment and Institutions of the Labour Market of 2004, where the question of foreign workers was not discussed, and the only time it was raised was actually in favor of the highly skilled immigrants.

Tab. 9. Jobs done by the respondents in Poland (percentage)

Type of Job	Respondents - total	Men	Women
Physical job (baby sitting, construction, domestic)	45	26	64
Student	38	40	39
The same, or similar, profession as in Ukraine	18	32	6
White-collar activity (translation, NGO, foreign language teachers)	17	15	19

\* the total can exceed 100% since each respondent could perform one or more jobs.

Source: *Bieniecki et al. 2005.*

Undocumented workers in the Warsaw area are often students, who came to Poland to study and work illegally (this is usually the only form of employment they can find).

There is no research on the impact undocumented migrant workers have on the Polish economy. Further, there are no serious estimates on salaries, or the impact migrant workers have on social services (foreigners are not covered by the state medical insurance, but in the case of an accident, they are treated in hospital).

Cheap labour fosters greater competition in agriculture by, for example, increasing the scope for savings to businesses employing undocumented workers. These businesses are then able to invest in technical development and enter the EU market (Ruslan & Koryś 2002, No. 47). Undocumented foreign workers also fill a niche in domestic work, which Polish people just won't do - some for cultural reasons, while others prefer earn more doing this type of work illegally in the EU-15, the US or Canada (Weinar unpub. 2001). The importance of undocumented workers can be measured by the economic breakdown that occurred in Polish villages near the eastern border following the visa restrictions of 2003. In these areas, the petty trade conducted at bazaars was vital to the local economy (Bojar & Kurczewska 2002).

Another interesting group, often overlooked, consists of mostly Western European, Japanese and North American citizens, who arrive on tourist visas but who work in Poland for a short time for companies registered abroad, and who do not enter the lengthy work permit procedure. Their number is estimated at 50 to 60,000 (Korczyńska 2005).

## II. Assessing immigration needs

### Types of immigration needs

#### a. Demographic needs

All recent demographic forecasts indicate a significant drop in the population of Poland in the next 50 years. According to the Central Statistical Office, the population amounted to 38,219,000 in 2002, of which over 8.5 million (23 per cent) were aged between 0 and 17, approximately 24.5 million (65 per cent) were aged between 18-64 (i.e. working age) and almost 5 million (12 per cent) were of a post-working age. According to the Central Statistical Office, Poland's population will decrease to 37,900,000 in 2010, to 37,300,000 in 2020, and to 35,700,000 in 2030. The proportion of people in the working age will increase, until it reaches 68 per cent of the whole population in 2010. After this time it will start to decline, returning to 2002 levels by 2020. Finally, in 2030 it will drop to 61 per cent. The proportion of people of a pre-working age will decrease steadily, to 18 per cent in 2010, 16 per cent in 2020 and 15 per cent in 2030.

Tab. 10 Population projection of Poland until 2030 (in thousand - as of December 31)

Age groups	2002 <sup>a</sup>	2005	2010	2015	2020	2025	2030
0 - 17	8664	7835	6811	6296	6070	5784	5325
18 - 44	15257	15241	15312	15037	14078	12672	11074
45 - 59	7814	8488	8259	7539	7247	7800	8647
60 - 64	1596	1487	2353	2747	2720	2242	2137
65 years and more	4888	5072	5165	6006	7115	8099	8509
Total	38219	38123	37899	37626	37229	36598	35693

<sup>a</sup> Actual data.

Source: Central Statistical Office

The Eurostat long-term forecast for the years 2004-2050 presents four different scenarios in Poland: Baseline forecast, Low forecast, High forecast and "zero migration" forecast. According to the baseline forecasts, in 2004 the population of Poland reached 38,190,000. From this point it is expected to decrease slowly, to 36,541,000 in 2030. In 2004, 22 per cent of the population were in the pre-working age bracket, 65 per cent were of a working age, and 13 per cent had passed the working age. Before 2010, the number of people in the pre-working age bracket will decrease to 19 per cent, and in 2020 – to 17 per cent. This share will then remain constant until 2030. According to this forecast, the share of the population in working age will increase to 68 per cent in 2010, then by 2020 it will fall to the levels of 2004, and it will be as low as 60 per cent in 2030. The share of the population in post-working age should be constant until 2010, and then rapidly increase to 18 per cent in 2020 and 23 per cent in 2030.

Tab. 11 Population projection of Poland until 2030

Age groups	2005	2010	2020	2030
<b>base variant</b>				
0 – 17	8349808	7029685	6422169	6274774
18-64	24889481	25707685	23893167	22018579
65 years and more	4951319	5092999	6749916	8248281
<b>Total</b>	<b>38190608</b>	<b>37830369</b>	<b>37065252</b>	<b>36541634</b>
<b>high population variant</b>				
0 – 17	8349808	7329226	7655841	8189112
18-64	24889481	25790524	24305063	23318809
65 years and more	4951319	5130126	6935790	8702524
<b>Total</b>	<b>38190608</b>	<b>38249876</b>	<b>38896694</b>	<b>40210445</b>
<b>Low population variant</b>				
0 – 17	8349808	6753305	5468469	5125600
18-64	24889481	25622606	23560812	20816002
65 years and more	4951319	5057024	6570883	7823819
<b>Total</b>	<b>38190608</b>	<b>37432935</b>	<b>35600164</b>	<b>33765421</b>
<b>no migration variant</b>				
0 – 17	8349808	7034465	6490764	6328795
18-64	24889481	25887480	24488065	22354418
65 years and more	4951319	5094873	6783148	8344519
<b>Total</b>	<b>38190608</b>	<b>38016818</b>	<b>37761977</b>	<b>37027732</b>

Source: Eurostat

According to the United Nations long-term demographic forecast, the population of Poland will decrease by 15 per cent by 2050 (variant medium), from over 38.5 million inhabitants to 33 million. Jakub Bijak, Dorota Kupiszewska, Marek Kupiszewski and Katarzyna Saczuk of Central European Forum of Migration Research have presented an interesting study predicting Polish immigration figures (from outside of EU). Their analysis elaborated on the Base scenario of international migration developments based on three factors: a stable socio-economic situation in Europe, sustainable economic growth, and a long-term convergence of income levels in the European countries. The results show, interestingly enough, that we can expect an overall increase in European mobility. This mobility will follow an increase in job opportunities across the continent. This phenomenon will be of key importance to East-West migrations in the short- and medium-term perspectives, especially when we consider the gradual lifting of the transition periods on free movement of people between EU-15 and EU-10 (Bijak, Kupiszewska, Kupiszewski & Saczuk 2005, p. 16).

The researchers also indicate important changes in the high and low scenarios (presented in table 12). Their statistical construction accounts for the expected uncertainty of the migratory phenomena in Europe. The 'high' scenario is developed on the assumption of a good overall socio-economic situation in all European countries. This satisfactory condition comprises also a swift convergence of the economies and living standards in both parts of the EU. On the one hand, such a situation is projected to boost the overall mobility of people across Europe, who

will exercise their right to the free movement in search for emerging employment opportunities. On the other hand, the balanced development within the EU should reduce the push factors influencing the outflows from less developed regions, including Central and Eastern European countries (Bijak et. al. 2005 pp. 22-23).

The 'low' scenario has been based on quite opposite assumptions. In this case, Europe is likely to suffer economic stagnation, higher levels of unemployment and structural inadequacies in the labour market. If short- and mid-term economic disturbances occur in the Central and Eastern European states, the migratory pressure on the EU-15 will increase, and the end of the transition periods will only exacerbate this phenomenon (Bijak et. al. 2005 p. 26).

In the base scenario, the percentage of the labour force originating from external (i.e. outside EU) immigration (after 2002) in the labour force will increase steadily until 2032, when it reaches more than 5 per cent. In the high scenario this percentage will reach almost to 13 per cent in 2032. However, in the low scenario, the immigrant labour share might decrease by 2 per cent (compared to the current level) in the next 30 years.

Tab. 12. Labour force resources (mid-year)

Variant	Period			
	2002	2012	2022	2032
Base	17,329,404	17,019,658	16,282,168	15,475,291
High	17,329,404	17,313,518	17,026,696	16,739,467
Low	17,329,404	16,742,878	15,534,682	14,322,568

Source: J. Bijak, D. Kupiszewska, CEFMR Working Paper 1/2005 - Annex: Tables and Figures, Warsaw 2005, p. lxxvi.

The CEFMR forecast shows that immigrants will gradually become more and more important in the Polish labour market. This will be caused by a greater influx of immigrants to Poland (see table 13), combined with demographic changes in the domestic population.

Tab. 13 Net external<sup>a</sup> migration (yearly averages)

Variant	Period			
	2002	2012	2022	2032
Base	-1 303	35 759	49 393	54 409
High	-1 303	71 997	98 962	108 882
Low	-1 303	5 560	8 085	9 014

<sup>a</sup> Outside EU.

Source: J. Bijak, D. Kupiszewska, CEFMR Working Paper 1/2005 - Annex: Tables and Figures, Warsaw 2005, p. lxxvi.

All of the forecasts reveal a high probability that the population of Poland will decrease. The two most influential factors will be emigration and a decrease in the birth rate. Both factors influence a relative decrease in the working age population and a relative increase in the post-working age population. However, the effects will not be evident for at least 8 to 10 years. Until then, the share of working age people will slowly grow and at the same time the share of the post-working age population group will remain constant. From a long-term perspective it is therefore necessary that the Polish state implements active immigration and pro-family policies. However, it is difficult to develop an immigration policy for two main reasons. First, Poland is a

relatively poor country when compared to the EU-15 and it suffers from a high level of unemployment (mostly structural). The unemployment rate has been around 18 per cent for four years (according to the Central Statistical Office), whereas the average unemployment rate in EU-15 countries in 2004 was only 8 per cent, and 9 per cent in other EU-25 countries. This makes Poland a relatively unattractive country for immigrants. Secondly, Poland has been a highly homogenous society since 1945. A sudden increase in the foreign population, especially outside the main agglomerations, can be seen as a threat to social cohesion, especially in the short-term.

#### **b. Shortages and mismatches**

Despite high levels of unemployment, there are clear signs of labour shortages in Poland. Moreover, these shortages are expected to continue beyond the 'period of transition' and to expand in the future.

There are two types of shortages (Bielecki 2005). First, there is a need for highly skilled labour. There is still a clear need for highly specialised managerial staff, though this need has declined since the early years of economic transition when most of the higher levels of management of foreign corporations were taken by immigrants. The initial response to the shortages has been a rapid development in the field of higher education in Poland in the last 15 years (the number of students quadrupled between 1989 and 2004, from less than 500 thousands to 1.8 million); however, the structure of tertiary education institutions does not meet the needs of the market completely. Moreover, the educational level of these institutions is often unsatisfactory.

Labour shortages in the education system present more challenges. This highly specialised work force is scarce, but this scarcity has different origins. The shortages of teachers (particularly foreign language teachers) are the result of very low incomes in the education sector. This gap is generally filled by immigrant teachers from the east. However, it should be noted that the decline in birth rate means that the demand for teachers is short-term, since even now there are recognisably fewer students in elementary and secondary schools (Okólski 2002, No. 5/6).

In addition, there is a concern that the Polish labour market will soon start to suffer the effects of the selective immigration policies of Western European countries resulting in a 'brain drain.' Western European policies are trying to attract particular professional groups, such as medical doctors and nurses, who, like teachers are offered very low wages in Poland. At the moment the emigration of these groups is helping to resolve tensions over wages in the national health service. However, in the long term, this emigration could result in skill shortages.

The second type of shortage exists in low skilled, low status and low waged labour. Furthermore, the income disparity between the EU-15 and Poland has resulted in higher levels of emigration of people working in this segment of the market (though it is usually short-term). This emigration has not been particularly visible because foreign workers, mostly illegally employed Ukrainians and Byelorussians, have often taken their place. However, the demand for this type of work could increase with a rise in living standards when the new, better-educated generations enter the labour market (Jończy 2003, No. 264; Korczyńska, ISP-KIG 2005, p. 15).

The ageing of the Polish society, which will become more visible in the second half of 2005, will also have an impact on the labour market, as new types of specialists grow in demand. Considering the limited capabilities of the current Polish education sector, and the growing decline in the number of young people joining the workforce every year (according to Central Statistical Office in 1983 there were 723,000 births, in 1999 – 412,000 and in 2004 – 356,000),

this new demand could cause serious structural shortfalls in the labour market and increase the demand for labour market migration.

### **How can shortages best be projected and planned for?**

Studies reveal a growing shortage of high-skilled and basic technicians (Rzeczpospolita 2004). There are also shortages in dockyard workers, experts of fire-security systems, power, ventilation and IT networks (Wprost 2001 & Korczyńska 2005, p. 15).

Government analyses conducted at the beginning of the decade show that, apart from the above-mentioned shortages, there will soon be an increase in the demand for specialists in IT technologies, business services, new services, construction, education, personal services and commerce. In addition, an increased demand for the managers of small and medium enterprises is probable, due to the predicted proliferation of this type of business (Karpiński, Paradysz & Penconek 2002).

According to the National Development Plan 2007-2013, there will be an increased need for of workers in the following groups:

- managers of large and medium-sized organisations (by 3.2 per cent),
- other specialists (by 2.28 per cent),
- Personal services and security personnel (by 1.35 per cent),
- Fashion models, salesmen, and demo presenters (by 1.2 per cent),
- Specialists in physics, mathematics and technical studies (by 1.41 per cent).

A large decrease of workers is predicted in the following groups:

- Metal workers, mechanics (by over 3 per cent),
- Farmers (by 2,32 per cent),
- Managers of small-size enterprises (by 2.26 per cent),
- Other industry workers and craftsmen (by 1.46 per cent),
- Unskilled workers in commerce and services (by ca. 1 per cent) and
- Miners and construction workers (by ca. 1 per cent).

*(Source: National Development Plan 2007-2013, 2004, p. 47-48)*

If we assume that further transformation in Poland brings its economy to the standard of the EU-15, we should expect that there will also be a need for biotechnology specialists, health care staff, and specialists in construction or builders.

Relatively low incomes in Poland (compared to the EU-15) can have a negative effect on any immigration policy development. Indeed, any policy designed to fill labour market shortages will be difficult. Recent experience shows that there is a possibility of complementing the national low-skilled labour force and specialists in some fields (e.g. language teachers) by immigrants coming from beyond the eastern border. However, considering the projected demographic problems of countries such as Ukraine (the population of which, according to the United Nations forecasts, will decrease by 40 per cent, from 46 million to 26 million by 2050, with 50 per cent of those in the 60+ age bracket), this solution is short-term.

## How are immigration needs considered in the National Action Plans for Employment?

The European Employment Strategy indicates, among other things, the need to acknowledge the impact of immigration on the national labour markets. In the case of Poland, such a need is not a priority. At present, discussions about the European Employment Strategy in Poland do not tackle the issue of immigration. Instead, government documents propose the solutions outlined in the Lisbon Strategy, such as drawing graduates, women, people over 50 yrs old and people living in rural areas into the workforce. Such activities will generate positive results in the medium-term, but they will not be enough in the context of the emerging demographic crisis.

The *National Action Plan for Employment for 2005* does not mention the issue of migration at all. When talking about social cohesion, the main points deal with 'at-risk groups', including people with disabilities (covering all types of disabilities, such as alcoholics, people addicted to drugs or other intoxicating substances, the mentally ill, etc.), the homeless, the long-term unemployed, people living in the in the most economically undeveloped areas, people leaving penitentiaries, and refugees.

The question of refugees can be treated as a part of immigration policy, but they should be looked at separately remembering that from the legal point of view, refugees are not immigrants for economic purposes. The Roma are also facing a difficult labour market situation.

The Polish National Action Plan for Employment reveals a need to develop domestic human capital. The unemployment rate is the lowest among degree holders (ca. 7.7 per cent), and thus the further improvement of overall level of education is needed. Additionally, as it is stated in the Strategy, "it is necessary to overcome stereotypes concerning the choice of education profiles by women and men to prevent and eliminate sex-related segmentation in the labour market, which can lead to indirect discrimination against women."

Like the Polish National Action Plan on Employment, the *National Development Plan 2004-2006* (Korczyńska 2005, pp. 16-18) and documents on the labour market published by the Ministry of Economy and Labour do not consider any aspect of the migration phenomenon.

The most important government document that addresses questions of immigration demand is *Assumptions of the National Development Plan for 2007-2013* prepared by various ministries under the direction of the Ministry of Economy and Labour. However, even it considered the problem as marginal, despite acknowledgement of the deteriorating demographic situation. Referring to immigration the authors note that in Poland 'a policy of re-emigration should be pursued, as well as encouraging young people to return to Poland. The effect of Poland's accession to the EU may be such that it can become an immigration country – especially from the East of Europe' (National Development Plan 2007-2013, 2004, p. 44). It is therefore 'necessary to establish an active migration policy to avoid the risk of emerging pathologies and social exclusion among immigrants arriving in Poland, and in particular those creating enclaves of poverty' (National Development Plan 2007-2013, 2004, p. 44). However, ideas formulated on this level of generality cannot provide for any specific solution.

It looks like the politicians are unable to see the dangers of emigration from Poland or any possible gains from potential immigrant recruitment. The general statement is thus: "it is too early to talk about it." The belief is that in a country with 19 per cent unemployment, other vital questions need to be solved before any immigration-related projects are addressed. Unfortunately, it seems that global developments might force Polish decision makers to start working on such projects before the domestic problems are resolved. The continuous influx of illegal migration might put pressure on the government to run future regularisation campaigns in an effort to regain control over the labour market.

### III. Selecting and recruiting immigrants

The attitude of successive Polish governments toward immigration has been at best ambiguous. Polish immigration policy has been almost exclusively EU-driven, with very few initiatives coming from the domestic level. The reason for this attitude is the reality of the Polish labour market.

First, the Polish economy is still underdeveloped. It needs more restructuring to open up opportunities for employment. Second, there is no real shortage of workers. Polish labour is relatively cheap so employee expenses cannot have a negative influence on the competitiveness of the Polish economy. There is, however, a need for highly qualified experts, who could support the economy in various sectors, especially in case of new technologies that might assist the development of the economy.

The other side of the Polish migration debate reveals negative growth. Both long-term and short-term emigration is still much higher than immigration. This situation raises questions concerning the potential brain drain and vacancies in the service sector in the future.

Since the problem of economic immigration to Poland seems rather distant, governments tend to focus on more present and urgent issues. Therefore, there have not been any detailed propositions or solutions presented on this issue. The debate really started in 2005 and is related to the EU debate on economic migration, fostered by EU funding for projects on economic migration in the EU-25 area. The resulting conferences on the issue, held at various venues in Poland, did not stir up any countrywide debate, and they have had a limited audience of researchers, academics and experts.

The whole debate has developed on very general level, around the question of 'policy vs. no-policy,' and it is not based on any precise data or calculations of the needs of the various labour market sectors. It is thus very difficult to provide any specific assessments of the best solutions for Poland's future immigration policy.

#### What kind of admission policy?

Poland does not use any immigrant-oriented admission policy. As a country in the early stages of migration policy development, it focuses on the visa system. Points systems and quotas are not used.

The main legal act regulating the questions of the foreign labour is the Act on Promotion of Employment and Labour Market Institutions of April 20 2004 (Dz. U. z 2004r. no 99, item 1001) and the following ministerial regulations:

a) The Regulation of the Minister of Labour and Social Policy of 19 December 2001, on the conditions and procedures of granting the work promises and permit for foreigners (*Rozporządzenie Ministra Pracy i Polityki Społecznej z dnia 19 grudnia 2001r. w sprawie szczegółowych zasad i trybu wydawania przyrzeczeń i zezwoleń na pracę cudzoziemców*; Dz. U. z 2001r. no 153, item 1766);

b) The Regulation of the Minister of Labour and Social Policy of 19 December 2001, on the conditions and procedures of granting the work promises and permit for foreigners employed at export services provided by foreign employers in the Republic of Poland. (*Rozporządzenie Ministra Pracy i Polityki Społecznej z dnia 19 grudnia 2001r. w sprawie szczegółowych zasad i trybu wydawania przyrzeczeń i zezwoleń na pracę cudzoziemców zatrudnionych przy realizacji*

*usług eksportowych świadczonych przez pracodawców zagranicznych w Rzeczypospolitej Polskiej; Dz. U. z 2001r. no 153, item 1768);*

c) The Regulation of the Minister of Labour and Social Policy of 19 December 2001, on the definition of cases, when the work promises and permits for foreigners are granted by the Voivoda regardless of the situation on the local labour market (*Rozporządzenie Ministra Pracy i Polityki Społecznej z dnia 19 grudnia 2001r. w sprawie określenia przypadków, w których przyrzeczenie i zezwolenie na pracę cudzoziemca wydawane jest przez wojewodę bez względu na sytuację na lokalnym rynku pracy i kryteria wydawania przyrzeczeń i zezwoleń na pracę cudzoziemców (Dz. U. z 2001r. no 153, item 1767);*

d) The Regulation of the Minister of Labour and Social Policy of 19 December 2001, on the exemptions of foreigners from work permit procedures. (*Rozporządzenie Ministra Pracy i Polityki Społecznej z dnia 19 grudnia 2001r. w sprawie wykonywania pracy przez cudzoziemców bez konieczności uzyskania zezwolenia na pracę; Dz. U. z 2001r. no 153, item 1765);*

e) The Regulation of the Minister of Economy and Labour of 26 May 2004, on the limitations of foreign labour on the territory of the Republic of Poland (*Rozporządzenie Ministra Gospodarki i Pracy z dnia 26 maja 2004 roku w sprawie zakresu ograniczeń w sferze wykonywania pracy przez cudzoziemców na terytorium Rzeczypospolitej Polskiej; Dz. U. z 2004r. no 198, item. 2037).*

## **Employment**

The selection of an employee in Poland is **employer-driven**. However, Polish regulations are restrictive and they aim at labour market protection (in line with Western European responses to immigration).

To obtain a work permit, a foreigner must go through a range of procedures similar to those required in a number of Western European countries. First, the applicant must apply for the position from his/her home country; second, the job can only be offered to a foreigner if there are no Polish workers suitable for, or interested in it; and third, the law requires that the employer undertake a lengthy and costly bureaucratic procedure to obtain a promise of a work permit for the worker. This promise is a condition for issuing the visa or temporary residence permit.

In 2004 there were several changes to the laws governing employment of foreigners. On 11 March 2004, the Minister of Economy, Labour and Social Policy introduced certain changes (Dziennik Ustaw. No 27 - item 236, item 237, item 238, item 239). Later, the Act of 20 April 2004 on Promotion of Employment and Labour Market Institutions (Dziennik Ustaw. 2004, No 99, item. 1001), introduced additional (though minor) changes aimed at harmonising the Polish law with EU requirements.

The most important changes are exemptions from the need to obtain a work permit. They concern:

- 1) Foreigners who are spouses of Polish citizens, and who have been granted a temporary residence permit because of their marriage status.
- 2) Foreigners who are language teachers, who work in nurseries, schools and Voluntary Work Teams (OHP), defined in laws on education system, provided that the language they teach is their mother tongue.

- 3) Foreigners who are sportsmen, working for an organisation based in Poland, and who represent this organisation during sport competitions, provided that the work is performed on irregular basis.

An employer wanting to employ a foreigner is obliged to do more than post his/her offer at the local Labour Office. Indeed, the additional requirements make it less attractive to employ foreign workers' as they are not clearly defined.

The employer does not need to obtain a recommendation from the local authorities if the foreigner belongs to one of the following categories:

- Sport coaches and sportsmen, working for Polish sport clubs and other sport organisations;
- Pharmacists who are graduates of Polish universities, performing one-year training in a pharmacy in compliance with the laws on pharmacies.
- Individuals performing work in the framework of international agreements on employment.

If the application concerns a foreigner who is a partner or a shareholder of a company registered as a commercial law society who intends to work in that society; or a foreigner who intends to sit on the management board of a legal entity performing a commercial activity, the employer must prove that:

- S/he performs an activity rendering a taxable profit, income tax is paid regularly, and their returns demonstrate that the activity is beneficial for the economy.
- s/he performs activities influencing the growth of investment, technology transfer, introduction of innovation, or the establishment of new jobs.

It is important to note that not all employers are equally influential in defining immigration needs. As has been reported by the Institute of Public Affairs, established foreign companies - with ties to Western Europe or North America - have fewer problems with presenting their needs than e.g. employers looking for Russian or Ukrainian workforce.

The Polish government does not evaluate labour market needs; however, several sectors have pointed out their needs to the government. This has put pressure on the government to modify certain bilateral agreements signed in the 1990s. Employment agreements with Ukraine, Belarus, Russia and Lithuania do not facilitate the necessary access to the Polish labour market, as the workers are supposed to go through the work permit procedure. However, these agreements are a potentially useful tool to conduct further migration policy.

The value ascribed to immigrants is usually political. For example, in case of the highly skilled professionals employed in foreign corporations and companies, the procedure, though cumbersome, is efficient. As recent studies have shown, problems emerge in the case of the workers from beyond the eastern border, especially when low / semi-skilled (Kurczewska et al.).

As stated in the Act on Regulations of Entry and Stay of European Union citizens and Their Family Members on the territory of the Republic of Poland, of 27 July 2002, (*Ustawa z dnia 27 lipca 2002r. o zasadach i warunkach wjazdu i pobytu obywateli państw członkowskich Unii Europejskiej oraz członków ich rodzin na terytorium Rzeczypospolitej Polskiej* (Dz.U. No 141, item 1180 and amended act of 2003 No 128, item 1175) the only individuals entitled to the job-

seeker permit are EU nationals. There are no job-seeker visas available to citizens of any other country.

### **Illegal workers**

The largest group of foreigners working in Poland are illegal. These workers go through a totally different **self-selection process**. Low-skilled workers can go to Poland find work through any of the several thousands “job markets” that exist in all of the major towns. They are most likely picked up by potential employers to perform short-term task in agriculture, construction or refurbishments. However long-term tasks and employment can also be found using social networks. In towns with a well-established agricultural industry (e.g. greenhouses) relying on annual, rather than seasonal work, illegal workers use their social networks to get jobs. The same occurs in the case of domestic workers, who use their network of friends and acquaintances to find work.

Some illegal workers do not want to stay illegal. Since the Act on Volunteering (*Act on Volunteering and Public Benefit* of April 24, 2003, Dz.U. No 96, item 873) was enacted by the Polish parliament, a significant number of illegal workers decided to obtain the status of volunteers, to get some basic rights. The process is only open to those migrants who are long-term employees, and for whom the employer is willing to pay the costs of travel, health insurance and processing. The system is similar to the Camp America and au pair systems. However, it is not easy to obtain this a status, mainly because the Act was meant primarily for Polish volunteers, and foreign volunteers are treated with suspicion (Interview with Towarzystwo Ponad Podziałami). There are no estimates of the number of foreign volunteers trained in Poland.

The problem of illegal employment has not been addressed because there is no political will to do so. Illegal immigration is always raised while debating new Aliens regulations, but in reality it is difficult to execute the laws at the local level (Antoniewski 2002). Steps are being taken to revive the non-functional Polish-Ukrainian contract regarding seasonal workers, however, again, there is not a lot of political resolve to move things forward.

The reasons for this are simple – there is a widespread acceptance of the informal economy in Poland, which probably employs as many (or more) illegal Polish workers as foreign workers (UNDP Report on Social Development 2004). Polish families, especially in big cities, rely heavily on foreigners for domestic work due to the faulty social security and health care systems (regarding elderly people and child care). On the other hand, it is important to understand that illegal workers might not be illegal migrants – they might be registered visitors and they are thus partially controllable. They usually do not cause any serious problems in terms of crime, and they are very diligent in keeping within the terms of the visitor visa (leading to shuttle migration) (Bieniecki et al. 2005).

### **Students**

All foreigners, who are either Polish residents or EU nationals, can study under the same conditions as their Polish counterparts. There were more than 8,000 students, on foreign student visas, enrolled in Polish universities in 2003. Their numbers have been increasing steadily, despite the government’s resistance to the development of a pro-student policy. The most numerous (over 50 per cent) are students from the former Soviet Union, such as Ukraine (almost 25 per cent of all students), Belarus, Lithuania, Kazakhstan, and Russia itself. These students often have Polish origins, and are thus eligible to enter the universities with Polish-heritage scholarships.

The idea of a pro-student immigration policy was bluntly rejected in the debate on the Aliens Act of 2003. Policy makers do not see non-EU students as being any different from other foreigners in Poland. Unofficially better treatment is often reserved for students of Polish origin, who are more likely to stay in Poland after graduation, or to those who treat the period of study as a chance to develop a network for staying in the country. However, some administrative measures have been designed to deter their change of status. A provision in the current amendment (2005) of the Aliens Act allows students to count half of the period spent studying (in Poland) towards gaining long term residency status. This provision satisfies the art. 4.2 item 2 of the European Council Directive 2003/109/EC.

The main reason for the still relatively low numbers of foreign students at Polish universities is their low level of appeal. The cultural distance, language and limited prospects for future employment or immigration still divert potential students to other European countries. The “non-policy” attitude is astonishing given the priorities of the Polish immigration debate (outlined above), where the emphasis has been given to “highly qualified experts”. Therefore, unless Poland comes up with a plan to develop its labour market so as to evoke demand for domestic specialists and experts, the policy toward foreign students cannot be successfully elaborated.

### **Residence and work permits**

Temporary residence and settlement permits are issued at different stages of the foreigner’s stay in Poland. For a period of up to 90 days, a citizen of a state that does not have a visa agreement with Poland (EU-25 or the USA) needs a visa to enter the country. If foreigner needs to stay longer than 3 months, then s/he can obtain another 90-day visa. After this period, s/he is obliged to obtain a temporary residence permit. This permit is granted to foreigners who can prove that they have a well-grounded reason to stay in Poland for longer than 3 months, e.g. migrant workers, family members, foreign spouses of Polish citizens or permanent residents, students and refugees.

Permanent residence permits are granted to foreigners who wish to settle in Poland, i.e. stay on Polish territory for a longer period of time. Currently, applications for the permanent residence permit can be lodged only after having resided in Poland on the basis of a temporary residence permit for 5 years (in case of the spouses of Polish citizens this waiting period is reduced to 2 years).

According to Office of Repatriation and Aliens data, 25,649 temporary residence permits were granted in 2004, compared to 4,448 permanent residence permits.

The only legalising action organised by the government was the regularisation program that lasted from 1 September 2003 to 31 December 2003. All foreigners who had lived continuously in Poland for a at least 6 years, and could prove housing and financial means to cover necessary expenses, or a work promise, were entitled to apply for a one-year temporary residence permit, regardless of their status. In this period, 3,508 migrants took the opportunity to legalise their stay. Among them, the two major groups were Armenians (46 per cent) and Vietnamese (38 per cent). The program was then reopened until 30 November 2004, during which time 2,413 previously undocumented migrants were issued permits. Again, the Armenians and the Vietnamese comprised respectively 44 and 41 per cent of the total.

The numbers presented above show some inherent features of the Polish immigration system. First of all, the majority of migrants who are working in Poland do not legalise their employment. Instead, they enter the country on a 90-day visa. Those who obtain temporary residence

permits are generally the ones who obtain work permits. The permanent residence permit can be applied for only after a lengthy stay in Poland and is not related to work permit, but to some enduring ties with Poland, like family or business.

Secondly, there is a big pool of illegal migrants who have no opportunity to secure regular employment because of the flaws intrinsic to the restrictive employer-driven recruitment system, which requires lengthy and costly procedures. This pushes them (employers) to seek illegal employees. This is the case especially in areas where a timely and inexpensive worker is indispensable, such as in agriculture.

Thirdly, most illegal foreign workers are not interested in regularisation procedures. This might be due to the fact that they see Poland as a short-term destination or a stop on their way further west. The visible underdevelopment of the Polish economy does not attract serious, long-term migrant workers.

### **What economic migration?**

An analysis conducted by the Governmental Centre for Strategic Studies predicts that there will be a demand for immigrant work in Poland. Long-term forecasts suggest that the demand will be most visible in construction, domestic help and finances. The first two sectors will offer illegal employment.

The need for legal workers arises due to the emigration of Poles to other EU countries, who might otherwise have worked in the Polish service sector. The high rate of emigration will fuel the need for foreigners in general services, educational institutions of all levels, and health services. The Centre predicts that foreigners will not damage employment opportunities for Poles, instead they will fill the gaps caused by emigration, increased financial aspirations of the national workforce, and specific skills shortages. Residence and work permits should follow the market needs.

At the moment a broad-scale active immigration policy is not absolutely necessary for the Polish economy. However, the rapid changes currently taking place around the world, combined with projected economic growth in Poland, suggest that it would be wise to start developing policies for economic migration sooner rather than later. Such policies should be based on a detailed assessment of the market in the short- and long-term. The main concern will be global competition between developed countries for the skilled workers with certain areas of expertise. Competition is already fierce between the US and the EU, and also within the EU itself.

It seems that Poland is not doing too well in the competition for skilled labour. It is currently lagging behind other European countries in its bid, for example, for health practitioners. Polish doctors and nurses are choosing to emigrate to EU countries that provide higher wages and better working conditions. The only real barrier at present is the language barrier, however this too will be overcome in the next few years. Poland is also facing a challenge of losing potential immigrants (those with close cultural and linguistic ties to Poland) to the west. This situation could leave Poland with serious labour shortages.

According to the experts, there are no policy tools in place to address the shortages created by the emigration of well-educated Poles. However, future needs could be covered by a scholarship system with job offers for the graduates. This offer might also be open to foreign students. The time spent studying could contribute to the integration process, and Poland, being host to several thousand foreign students, could use this opportunity to recruit skilled workers. An active scholarship policy targeting young people from abroad might also be linked

to post-graduate training programs, and long-term residence permits. The first steps have now been taken in the Aliens Act amendment, which recognises vocational training as legal grounds for obtaining temporary residence permit. This provision will adjust Polish law to the European Council Directive 2003/109/EC on long-term residents (art. 4.2).

The position of the Polish employers provided that is clear (Dorda speech 2003) – they would be happy to employ migrants from all over the world in Polish companies provided that they match the skills needed. The idea of the free flow of labour has received Polish employers' wholehearted support. On the other hand, a special emphasis should be given to the citizens of Poland's neighbours to the east, since there is a long tradition of collaboration, and centuries of historical and cultural ties that cannot be ignored. Employers want simple, transparent and timely immigration procedures. They also indicate that the EU should create attractive conditions to accept skilled workers. However, being aware of the tensions generated by immigration, employers are also calling for policies aimed at awareness-raising and promoting tolerance in the host societies.

The debate states clearly that the future Polish immigration policy should be open and flexible. Flexibility should comprise a selective quota system for economic migration, while counteracting illegal immigration.

Illegal immigration is a key challenge. Poland is an attractive labour market for short-term migrants seeking employment in the informal economy. Illegal employment is also culturally accepted, and many unemployed Polish citizens take up such jobs as well. To address this situation, it is crucial to build an all-encompassing system. Part of the system should be dedicated to strengthening control and increasing penalties. However, the system should also dedicate resources to the promotion of legal employment, such as unifying and simplifying work permit regulations. The steps leading to further improvement of administrative performance could include limiting the required documents and lowering the fees. It is also crucial to elaborate some sort of "express way" procedures, addressing the needs of potential settlement migration. It should concern in particular the extensions of current, valid work permits, employment of foreigners in chosen sectors and niches, and the employment of foreign workers and managers in the capital- and labour-generating organisations, e.g. foreign companies investing in Poland.

### **An EU policy on immigration for employment**

As a member of the EU, Poland has entered a new stage of its immigration policy development. Before 1 May 2004, the general tendency was to limit the political vision on this issue to the *acquis*. In the period 1990-2003, Poland developed a solid visitor policy, with a visa regime, residence permit system, or work permit system. The new regulations resulted from the long-term cooperation between EU member-states and successive Polish governments. Western European expertise was always referred to as a good model for building a system that could be useful for the future.

Since joining the EU, Poland is obliged to actively participate in EU developments on immigration. The intensified activity in this field forces Polish policy-makers to at least formulate an opinion on issues that had been tacitly pushed into a legislative corner. Their position is ambiguous – on the one hand, they are pushed by the EU benchmarking system and by Poland's ambitions to mark its presence on the EU level; on the other hand, they are faced with a country going through a very different economic and social phase, where issues related to legal, permanent immigration are rather remote. The consultation exercise on economic migration imposed by the Commission forces Polish experts to come up with answers and

recommendations detached from the reality of their experience. It is an exercise in preparation for future eventualities, based on the past experiences of the EU-15. This early preparation should ideally leave almost no room for surprises in the future. However, there is a danger that it may prove to be totally irrelevant in light of future developments.

For the time being, Poland is trying to find its own voice in the EU arena. The official Polish stance on the Interim Lisbon Strategy of 15 March 2005 states clearly that on the issue of economic migration of third country nationals, the liberalisation of the policy should be considered *after* internal limitations have been lifted. Here they are pushing for equal rights for EU nationals, and especially equal treatment for EU-25 and EU-10 citizens. The Polish government argues that labour demands should first be met in compliance with the rule of “community preference”, i.e. using the manpower available in the new Member States. Third country nationals should only be treated as a supplementary labour force.

This position reflects current Polish interests, however, it is rather short-sighted in light of the issues raised in this report. The push to facilitate Polish emigration to the other EU countries is very dangerous in light of the substantial population decline expected in Poland by 2030. The Polish migration policy should not focus on the present political gains, but should rather use EU recommendations and solutions to tailor the policy to the Polish reality.

### **The Green Paper on economic migration**

In April 2005, Polish experts from different institutions met at several seminars organised, among others, by the European Centre-Natolin and the Centre for International Relations, to discuss the issues set forth by the Commission in its Green Paper on economic migration, a part of the Hague Programme. The representatives of public administration, NGOs, international organisations and academia came up with unified opinion on the proposed arguments.

The discussants dismissed any real need for debate on the Polish situation. The overall assessment was that Poland was experiencing different problems from those experienced by the EU-15, and that the Green Paper would not provide a solution to the Polish issues of high, mostly structural, unemployment. On the other hand, Polish experts have tried to put aside the national question and looked for answers that might accommodate the EU as a whole. Several points were constant in the debates:

- At this point in time, a common EU regulation of immigration is impossible, as the diversity of needs and expectations is too large. The same could be said about the harmonisation of national-level regulations on immigration for a very diverse economic situation in the Member States.
- Internal EU employment should be regarded as a priority; therefore the termination of the transition periods should be regarded as a chance to use the EU-10 reservoir of workers.
- EU Member States should maintain their right to make decisions about their own immigration policy (concerning the labour market) for at least the next decade.
- Sector-recruitment should be promoted, but it should be flexible.
- EU and Member States should address economic migration while paying special attention to future possibilities. They should focus not only on the economy, but also on social cohesion and security. The integration of migrants should be a key concern.

## CONCLUSIONS

1. At this stage the European strategy towards the employment of immigrants should focus on national and regional differences. From this perspective, National Strategies for Employment offer the most promising solutions. The system of checkpoints at the community level should push the Member States to find solutions for their specific problems. From the Polish perspective, more coordination and policy learning should be involved, possibly through tailor made bi- or trilateral programs.
2. Community tools, such as the Green Paper, although indispensable in the long run, should be developed gradually around clear objectives, first in fields where harmonisation is possible. Such instruments will need to be adopted more slowly in Poland, because of different migration needs.
3. In Poland, a long-term, carefully constructed migration policy is needed. In the short term, the absorption of the domestic labour force is the primary objective, especially considering that the labour force is expected to grow over the next decade, and then decrease abruptly. This will generate a serious economic crisis if no plan of action is in place.
4. It would be wise to prepare a strategy to increase the number of skilled workers in Poland, before the demand becomes too great. This could be addressed through education or vocational training in Poland, or by encouraging selective immigration.
5. The Polish education system should start to develop strategies to attract migrants, as they will be the first to experience the effects of the demographic changes that lie ahead. An influx of immigrants could provide a buffer for a gradual and stable transition period, helping the system adapt to the conditions of a smaller population.
6. It is disturbing to find government reports and analyses that discuss long- and short-term labour market strategies that fail to make reference to the foreign labour force, which is already quite prominent in the Polish labour market (even if it is largely in the informal labour market). Illegal workers' presence has to be acknowledged and openly discussed, admitting the existing demand for their services.
7. Actions aimed at the integration of migrants (coordinated by the Polish government and non-governmental organisations) should concentrate more on labour market integration. There should also be more focus on the education of Polish society about immigration.
8. Migrants should not be treated as problems by the Polish and European public institutions, rather, they should be viewed as indispensable for the future, both stabilising and providing benefits to the economy and society more generally.

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