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# Migration in Poland in the period of transition – the adjustment to the labour market change

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# Outline of the presentation

- Remarks on migration data quality
- Changes on the labour market in Poland after 1989
- Theoretical background
- Internal migration adjustment
- International migration adjustment
- In guise of conclusions: a substitution hypothesis



## Before we start – data quality warning

With the existing reliability of migration data we can speak on trends but not on numbers

- Incorrect definitions
- Underregistration of legal migrants
- Illegal migration
- Some forms of mobility not considered



# *Changes on the labour market in Poland 1989-2004 in a nutshell (1)*

- Restructurisation of industries and state owned agriculture
- Costs controlling by enterprises
- Modification of demand for human capital
- Modification of remuneration patterns



## *Changes on the labour market in Poland 1989-2004 in a nutshell (2)*

- From labour demand to vacancy demand driven economy (Góra 1996)
- Unemployment: nonexistent under communism 6.5% in 1990; 12.2% in 1991; has not dropped below 10% since 1991: 16,4% in 2000; 20,7% in Feb 2003 (maximum); 19,5% in Jan 2005.



# Economic theories of migration

- Factor balancing labour demand/supply (neoclassical macroeconomic theory of migration; Lewis)
- Individualised gain/loss (neoclassical microeconomic theory of migration; Sjaastad)
- Migration as a family insurance policy (new theory of migration; Stark)
- Migrants operate to large extent in 3d (dangerous, dirty, difficult) labour market (dual labour market theory; Piore)

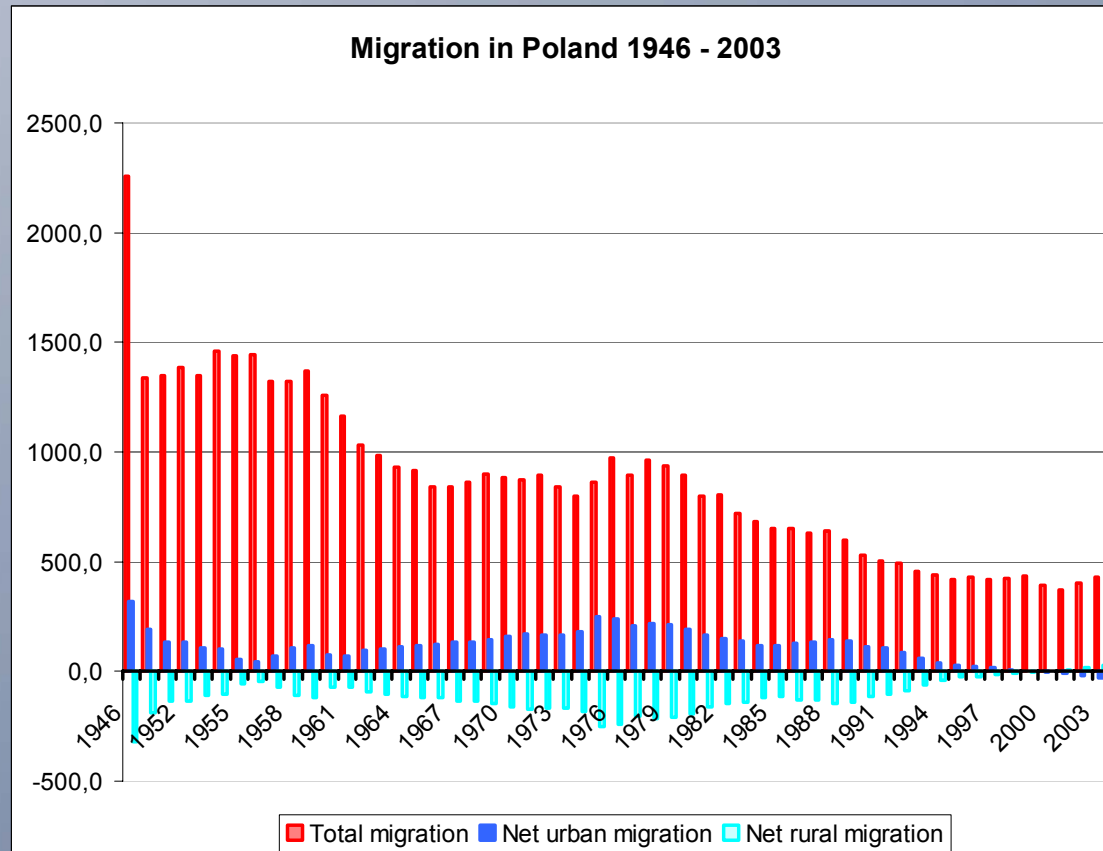
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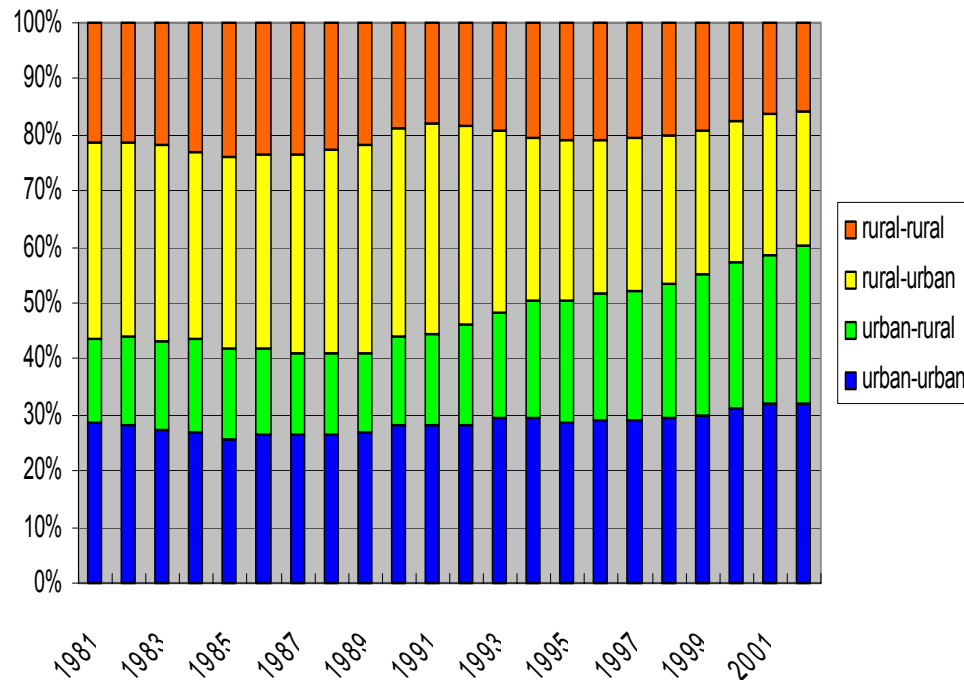
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# Internal migration adjustment



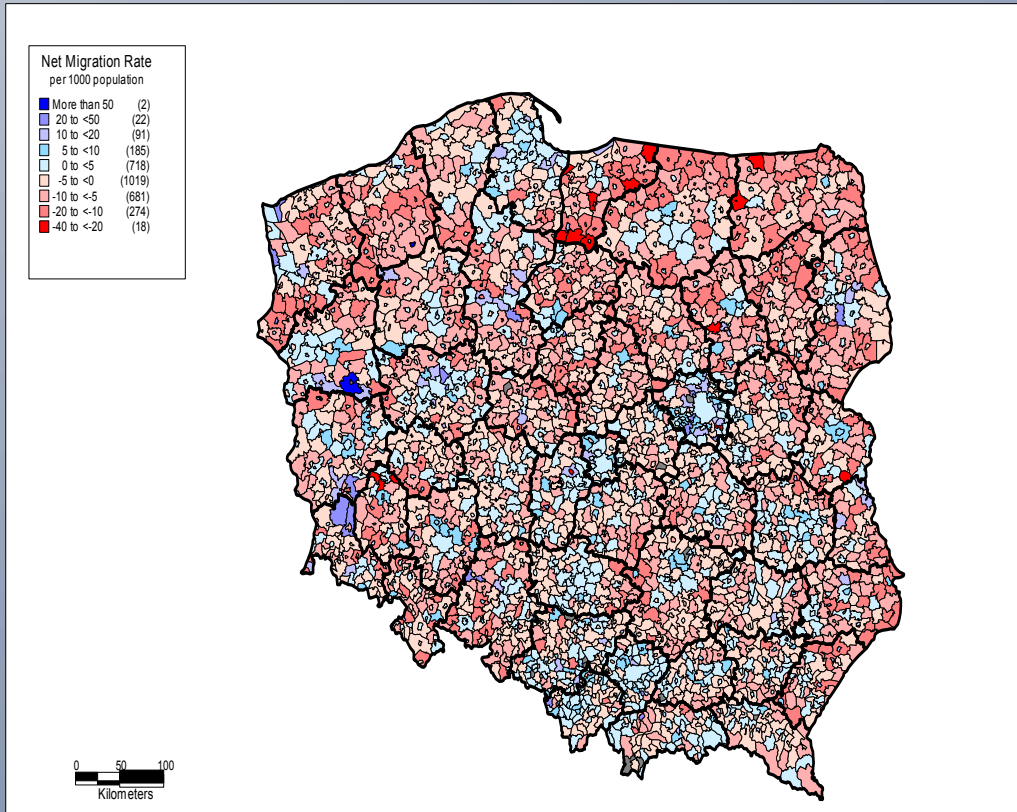


## Internal migration in Poland by main directions 1981–2002(%)



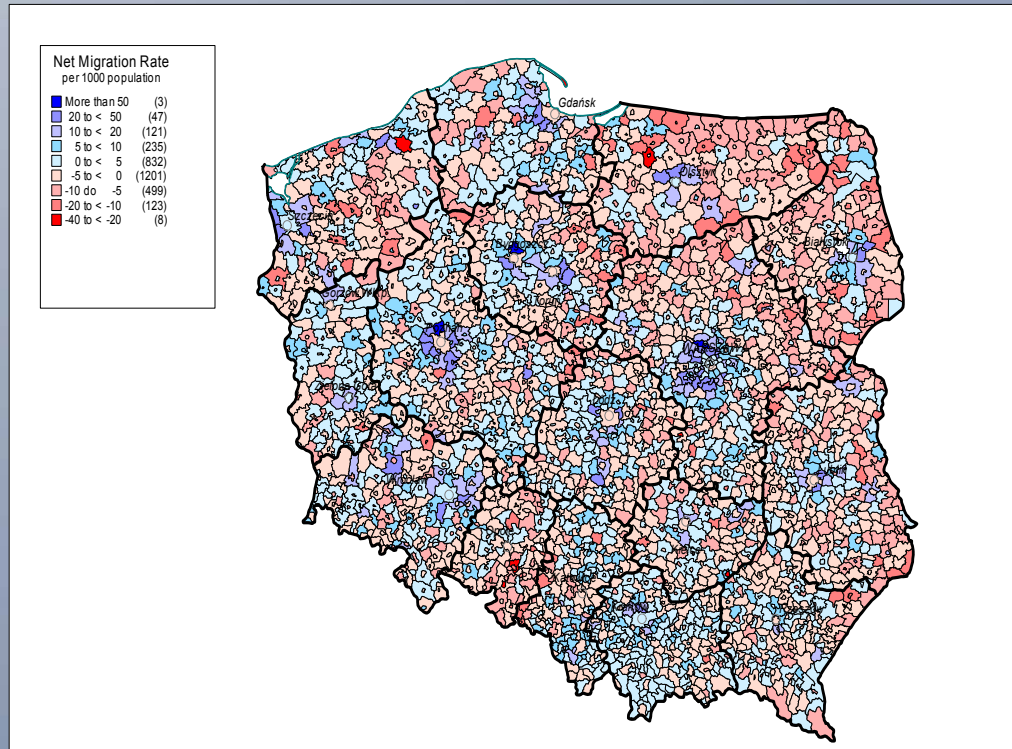
- Reduction of the role of emigration from rural areas to both urban and rural areas
- Increasing role of urban to rural flows
- These changes are because of the far going modification of labour markets

Figure 3: Net migration by communes, 1994



- Wide spread rural depopulation
- Urban gains in all size classes of towns/cities
- Visible process of suburbanization

Figure 4: Net migration by communes, 2002



- Substantial reduction in rural depopulation
- Reduced urban gains in all size classes of towns/cities
- Visible process of suburbanization



## Commuting

- Widespread, often long-distance, state or enterprise subsidised commuting under communism (bi-career farmer-workers)
- Withdrawal of subsidies after 1989 resulted in:
  - Decline in commuting and consequent unemployment or partial employment increase in peripheral areas
  - Development of new form of migration, mobility and commuting



## Internal migration: concluding remarks

The most important effect of the economic change of the transition period on migration was the closing of state and enterprise supported flows and activation of purely economic mechanisms of migration

This has led to reduction of flows from rural areas and small towns, especially in depressed and underdeveloped regions and retention of surplus labour in these areas.

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# International migration adjustment



# Transformation of migration scene in Poland

- From **emigration** to **emigration and immigration** countries
- From **permanent emigration** to **various forms of migration and mobility**



## From permanent emigration under communism...

- Controlled by political police and used as a mean of influence
- Travel severely restricted (passport control, reporting, members of family retained in the country of origin)
- Sometime used as bargaining tool in negotiations with Western governments (ethnic migration)





## ...to various forms of migration and mobility

- Trade tourism and petty trade
- Smuggling and trading in human beings
- Irregular short term labour migration with complex strategies of survival (Okólski: Unfinished migration)
- Legal short term migration controlled by bilateral agreements
- Migration of highly skilled
- Settlement migration



## Complex strategies of illegal migrants:

- Job search through friends and kin networks
- „Chain” employment
- Transport arrangements and service sector serving illegal migrants

### Gains and costs

- Pecuniary gains and consequent to it investments
- Double marginalization



# Post-enlargement migration

- Most old EU member states exercised the option to limit freedom of labour (exceptions: Ireland Sweden, the UK)
- No major outflows have been observed, but there are visible flows to the UK and Ireland
- Brain drain especially in medical professions may be a possible threat



## In guise of conclusions: a substitution hypothesis

Hypothesis: various forms of short term international migration replace internal migration and commuting

- Historical tradition
- Forced industrialization and its sad demise
- Unskilled/semiskilled labour surplus in the source and deficit in the destination