

# The Employment of Foreigners in Poland and the Labour Market Situation

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*Between 2014 and 2016 the number of foreigners on the Polish labour market increased by over 300 per cent. They were mainly Ukrainian citizens taking up seasonal employment on the basis of the so-called ‘simplified system’. According to the literature, such a large increase in labour immigration in a short period of time may be an important factor in the growth of unemployment and the reduction of the employment rate of natives. The main purpose of this text is to show the correlation between the increase in the employment of foreigners in Poland and to determine whether or not this has had an impact on the deterioration of the state of the labour market. For this purpose, data from the Central Statistical Office and the Polish Ministry of Family, Labour and Social Policy were collected. As a result of our analysis, it was found that the significant increase in the presence of foreigners on the Polish labour market, which the country has faced in recent years, was not correlated with the rise in unemployment, the increase in the rate of economic inactivity and the availability of seasonal jobs. On this basis, we can state that the increase in the supply of foreigners on the Polish labour market, compared to other factors influencing it, was weak enough for the negative effects of the increased employment of foreigners to not occur.*

*Keywords: labour migration; Poland; unemployment rate; employment rate; economic inactivity*

## Introduction

The scale of the inflow of foreigners to the country in recent decades places Poland among those states of growing attractiveness to migrants. From a country from which more than 2 million people emigrated in the years 2007–2013, Poland is becoming a New Immigrant Destination or NID (Górny and Kaczmarczyk 2018; Winders 2014). In the last three years (2013–2016) the number of seasonal workers from foreign countries has grown by more than 300 per cent and, according to estimates, exceeded 1 million people. In the history of migrations of the twentieth and twenty-first centuries, similar developments took place in Western Europe in the 1950s and 1960s (statistically, but not with regard to the immigrant profiles or countries of origin). In Southern European countries (Portugal, Spain, Italy) which have traditionally recorded a high outflow of local

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residents, the turn of the twentieth and twenty-first centuries recorded a high inflow of foreigners, both from European Union member-states and from third states (King 2000; Ribas-Mateos 2004). Migration processes in Poland deserve particular attention, for at least two reasons – first, owing to the dynamics of an immigration not encountered before and the domination of a single nationality group among the foreigners, namely Ukrainians. Secondly, owing to the sustained emigration of Poles to other EU member-states, with the number of those staying for more than 12 months increasing by 113 000 in 2016 compared to 2015. According to Central Statistical Office's (2017b) estimates, as of the end of 2016 the number of Poles staying in the EU amounted to 2 096 000. This means that Poland records a growth – at the same time – in both the inflow of immigrants to the country and the emigration of Polish natives (e.g. CSO 2017b). Such a phenomenon has been extremely rare in the history of migration.

In public debates on the consequences of the influx of foreigners there is a view put forward that they provide an alternative to employing native workers, mainly because immigrants agree to work in worse conditions of employment than those demanded by natives (e.g. Jończy 2016; Zimmermann 2004). As a consequence the rise in labour migration from abroad is likely to result in a growth in unemployment as well as in a deterioration of other indicators reflecting the situation of natives in the labour market. At the same time, researchers analysing the impact of immigration on the Polish labour market are not univocal about its impact on the growth in unemployment or the difficulty for natives to find employment, although there is a prevailing opinion that this impact is quite limited (e.g. Borjas, Grogger and Hanson 2008). Most researchers point to other factors – related, for example, to the economic growth rate or to demographic processes – as being central for any analysis of the changes taking place in the labour market (Fargues 2011; Górny 2017; Tyrowicz 2017). At the same time, the role of immigration policy in managing the changes in the labour market is frequently stressed (Zimmermann, Bonin, Fahr and Hinter 2007). A high number of vacancies should be conducive to a liberalisation of immigration-related regulations, while unemployment growth should lead to them being made stricter. Policy measures should be thus adjusted to the changes taking place in the labour market of the destination country. Therefore, tracing the interrelations between the dynamics of immigration and changes in the labour market of the destination country allows for conscious decisions to be made with regard to immigration policy. The sharp growth of labour migration to Poland observed in recent years makes the case of the Polish labour market an interesting example through which to examine the relationship between the dynamics of the influx of immigrants and the short-term changes in selected labour market indicators.

The goal of the article is to evaluate whether or not the sharply increased presence of foreigners in the Polish labour market correlates with changes regarding the level of unemployment, employment and economic inactivity, as well as seasonal job offers in Poland in the short-term. Although, there are many other factors, apart from immigration, that influence labour market output, an analysis of the Polish case will enrich research on interrelations between an increased inflow of employment immigrants and the changes taking place in the labour market, with a novel perspective coming from a new immigration country. By informing policy-makers about the tendencies occurring in the Polish labour market in recent years it will contribute (we believe) to the conscious formation of future Polish immigration policy.

The article focuses on two groups of labour migrants to Poland: foreigners who gained access to the Polish labour market on the basis of a work permit and those who secured employment on the basis of an employer declaration of intent to employ a foreigner (the so-called simplified procedure).<sup>1</sup> These two groups represent two distinct patterns of labour immigration to Poland, differing with regard to both the volume of workers coming to Poland (the scale of employment of foreigners on an employer declaration is several times higher than that based on a work permit), the length of stay of foreigners and the main sectors of employment.

Examination of the interrelations between the influx of foreigners to Poland and changes in the Polish labour market is based on the analysis of interrelations between the volumes of labour migrants and selected

labour market indicators in 2004–2016 (for employer declarations the period is shorter and starts in 2007). Two types of source have been used in the analysis: registries of the Polish Ministry of Family, Labour and Social Policy and statistical data of the Central Statistical Office concerning the labour market. The labour market indicators examined in the article have been chosen according to Eurostat methodology and terminology.

### **Selective literature review**

Most of the analyses published after 2000 concerning the relation between immigration and the unemployment rate in a host country (or region) prove that it is difficult to ascertain such a correlation unambiguously. Paradoxically most discussions regarding the impact of immigration on the functioning of the economy are undertaken in typical countries of immigration with long experience in receiving foreign workers (Kaczmarczyk 2015a). Both European and American researchers are unanimous in saying that the influx of additional labour does not have a negative influence on the labour market and that it does not bring about unemployment among the natives. At the same time, the influx of immigrants can, in the short term, have a negative effect on labour market indicators on a regional scale, causing an outflow of workers from the labour market either to unemployment or to economic inactivity. Alternatively, it compels mobility – i.e. the search for employment in other regions of the country or even abroad (Borjas 2005; Kerr and Kerr 2011). As well as unemployment, in analyses of the impact of migration on the labour market, some attention is paid to the impact of migration processes on the levels of pay for native workers (e.g. Angrist and Kugler 2003; Dustmann, Fabbri and Preston 2005).

In the literature on the topic, a number of works can be highlighted which show both the positive and neutral as well as the negative effects of the influx of immigrants on a particular labour market. For example Borjas (2003), analysing the influx of immigrants – particularly from Mexico – to the US, noted that, among other things, immigration reduces employment and contributes to the growing ebb of native workers from the labour market.

A very limited, but still negative statistical correlation between the influx of immigrants and the employment rate in general was proven by the research carried out in a group of 18 European countries. Angrist and Kugler (2003) estimated that an increase in the general level of employment of foreigners by 10 per cent leads to a decline in the employment of native workers by 0.2 to 0.7 per cent on average.

Boeri and van Ours (2008) noted the correlation between immigration and rate of unemployment and concurred that immigration can have a negative impact on the labour market in those countries where there is a statutory and rigid minimum wage. In view of the fact that, in those countries, we have a ‘fixed number of jobs’, the influx of foreigners brings about an increase in competition, which can cause a rise in the level of unemployment among native workers.

The results of research conducted by Rios-Avila and Canaivre-Baccareza (2016), based on data from the US for the years 2001–2013, also indicate that immigration has no significant impact on the situation in the labour market. At the same time, increasing immigration can adversely affect people who are already unemployed, who will thus have greater difficulty in finding a job. It is therefore the unemployed rather than the employed who, to a much greater extent, feel the consequence of the presence of immigrants in the labour market. Additionally, the analysis proved that the presence of immigrants in the labour market is especially disadvantageous for young people as well as those with lesser education.

Fromentin (2012) came to a different conclusion. He put together panel data regarding immigration and the labour market for 14 OECD countries for the years 1975–2008. Based on these data, he concluded that immigration does not lead to an increase in short-term unemployment – and even influences the reduction of long-

term unemployment. Ruhs and Vargas-Silva (2015) emphasise that the impact of migration on wages and unemployment depends on whether and to what extent immigrants' qualifications supplement or substitute for the skills of native workers. Reviewing the research on the relations between immigration and unemployment in the United Kingdom, they point out that analyses conducted thus far do not prove any significant influence on the level of unemployment in the country – conclusions confirmed by the results of research conducted by Dustmann *et al.* (2005). Their analyses, which are based on data from the years 1983–2000, prove that immigration has a negative impact on the level of employment, on participation in the labour market and on the level of unemployment of British workers with secondary education. At the same time, they found that persons with a graduate or postgraduate education feel positive consequences connected with the influx of foreigners to the United Kingdom.

Findings significant for the analysis of the influence of foreign workers on the labour market were provided by the British Migration Advisory Committee (2012), in which Labour Force Survey (LFS) data for the years 1975–2010 were used. Particular attention was paid to the impact of immigrants from EU member-states and third countries on the unemployment rate in the United Kingdom. The survey results ascertained that immigration from outside the EU had an impact on decreasing the level of employment in the years 1995–2010. At the same time, no statistical correlation was found between the influx of foreigners from EU member-states and the changing situation on the British labour market. They were unable to prove that the dynamic influx of the citizens of so-called 'new' member-states has had any impact on the fluctuations in the unemployment rate or on increased problems finding employment on the part of British nationals. Again, this was explained by educational level – immigrants from EU member-states were better educated than foreigners from third countries and this was factor from whence the difference in their impact on the labour market derived. Furthermore it was noted that the negative impact of migration on the level of British employment can be observed only in periods of economic slowdown. This means an overlapping of two processes – and it is extremely difficult to ascertain which of them is the more relevant.

The Polish literature on the subject lacks in-depth analyses showing the relationship with or the impact of the influx of foreigners on the Polish labour market. The only empirical study showing the correlation between the influx of Ukrainians in the years 2006–2010 and the situation of Polish workers was conducted by Klimek (2015). It results from his conclusions that, in the period discussed, no more than 4.5 per cent of employers dismissed at least one employee in order to take on an immigrant from Ukraine. His qualitative research showed that the replacement of a Polish worker with a foreign one was motivated by the quality and efficiency of the latter's work. It was also the case that Polish drivers refused to take their load of goods beyond the Eastern border.

Migration and its impact on the labour market should also be seen from the perspective of a dual labour market. The consequences of the increased presence of immigrants in a given labour market are likely to vary widely depending on the segment (Piore 1979). If in the so-called second, i.e. less attractive, labour market segment, where there is very high competition for vacancies, the influx of immigrants may result in increased unemployment. This means that, in the first segment, owing to the large number of vacancies, the employment of foreigners will be of a supplementary and complementary nature (Arak, Lewandowski and Zakowiecki 2014).

Most of the results presented here concern the situation in typical immigration countries (the USA, the United Kingdom and Germany, among others). They indicate that the impact of immigration on the labour market is ambiguous and varies depending on macrostructural factors in the countries of origin and destination as well as on the individual characteristics of migrants. Namely, four main groups of contextual factors shaping the interrelations between the increased presence of foreigners and indicators of the destination-country labour market can be identified:

- the structure of the labour market in the destination country;
- the characteristics of the migrants themselves – in particular their level of education;
- the sectors in which migrants are employed – i.e. if they complement or substitute for native workers; and
- regulations in the field of labour law and immigration policies.

It can thus be argued that enriching a comparative perspective is of value for the topic studied. At the same time, analyses of the interrelations between the influx of foreigners and the labour market situation in new countries of immigration are scarce. An intensive influx of temporary workers from Ukraine after 2013, as well as the gradual depletion of Polish migratory stock, implies that Poland is more and more intensely transforming from a typical country of emigration into one of emigration–immigration.

### **Immigration to Poland and changes in the Polish labour market**

In the last ten years or so, the Polish labour market has undergone major changes. The outcome of Polish accession to the EU has been significant and the consequences resulting from it have had a particular impact on the professional activity of Poles (e.g. Kaczmarczyk and Okólski 2008). In 2004 the labour market in Poland was characterised by the worst indicators of all the 24 EU member-states. The highest unemployment rate at 19.1 per cent (Eurostat 2017a), the lowest employment rate – 57.3 per cent (Eurostat 2017d) – and grossly disproportionate wage levels were the main factors pushing those of working age out of the country (Eurostat 2017c). A high flow of post-accession emigration, the tens of billions of euros in structural funds acquired for social and economic development in the years 2007–2015 and foreign investments, as well as an increase in expenditure on labour market policy, have all significantly contributed to the improvement in the domestic labour market (Ministry of Foreign Affairs 2012). It turns out that the new challenge for the functioning of the labour market lies in a shrinking and ageing labour stock – a consequence of overlapping negative demographic changes (Kiełczewska and Lewandowski 2017). A decrease in the working–age population has caused employers to increasingly report problems connected with the acquisition of sufficient numbers of highly qualified and low-skilled workers. According to different forecasts, in 2050 the demand for additional labour resulting from demographic changes could reach from 5.2 million (Iglińska 2013) to 7.8 million (Fargues 2011). Since 2014, the level of unemployment has been below 10 per cent and a further regular decline has been observed. This is also reflected in GDP growth which, in the last decade, was above the average value for the EU-28. Projected changes related to a further decline in the working-age population and to a record low level of unemployment – together with a good economic growth outlook – have become essential reasons for opening up the market to foreign workers.

From the moment of Polish accession to the EU we can speak about greater interest in the Polish labour market, in particular among the citizens of post-Soviet republics. The principles on which labour immigration to Poland can take place can be divided into two fundamental types. The first is the free flow of citizens from other EU member-states; the second, the immigration of citizens of other countries who are obliged to obtain a permit to access the Polish labour market (OECD 2016). In the latter case several paths are possible. Definitely the most popular is either obtaining a work permit or pursuing employment based on an employer declaration that s/he has the intention to mandate the work to a foreigner. This instrument is flexible in nature. On the one hand, its introduction could bring about a swift effect in the form of an inflow of employees from third states who thus enjoy facilitated access to the Polish labour market. On the other hand, its elimination or restriction (e.g. through the introduction of additional bureaucratic obligations for employees or employers) is likely to result in a very rapid reduction in the scale of immigration – which would, however, entail a high risk

of growth in foreigners' employability in the grey economy. The current system of employer declaration is unique in Europe and allows for a quick reduction in shortages on local labour markets in periods of economic growth. In the case of growth in the level of unemployment or of economic downturn, its elimination would allow for a very speedy reduction in the scale of immigration. In this article we leave out immigration – the free inflow of citizens from EU member-states – and focus on the influx of foreigners who either obtained a work permit or pursued employment on the basis of an employer declaration. The reason for this approach is that labour immigration from third countries is several times higher than the influx from EU member-countries.

One structural feature of migration to Poland is its temporary character, which distinguishes Poland from other highly developed countries where long-term migration (over 12 months) prevails (Duszczyk and Matuszczyk 2016; Kaczmarczyk 2015b). According to data from the Ministry of Family, Labour and Social Policy, in 2004–2016, there was a significant increase in the number of work permits issued mainly for periods longer than 12 months – from over 12 000 in 2004 to 235 000 by 2017. A definite increase in foreign interest in employment on the Polish labour market is noticeable in the data on employer declarations of intent to employ a foreigner. Between 2007 and 2017 the number of declarations submitted grew from 21 000 to more than 1.82 million – an 87-fold increase (Ministry of Family, Labour and Social Policy 2018b). At the same time it should be clearly stated that the number of foreigners actually employed in the Polish labour market is markedly lower. For example, from previous research we can see that the percentage of actually realised declarations amounts to no more than 60 per cent (Duszczyk 2015). This difference results from the fact, *inter alia*, that migrants may obtain several declarations at the same time and that, having received such declarations, may decide not to go to Poland (Tyrowicz 2017). It should also be made clear that the ten-fold difference between the number of work permits issued in Poland and the number of employer declarations is consequent mainly on bureaucratic issues. Obtaining a work permit is still a lengthy process which includes a so-called labour-market test. There are no such restrictions in the case of employer declarations.

On the map of labour migration, the great interest in Poland is also confirmed by Eurostat data on the numbers of permits issued. Due to the intensive influx of immigrants after 2013, Poland has become one of the most frequently chosen destinations for labour immigration in the EU (Eurostat 2017b). Tyrowicz (2017: 16), however, points to the fact that immigrants are concentrated only in selected industries and regions of Poland.

Ukrainian citizens have remained the largest group of labour immigrants for more than ten years. Both the data regarding work permits and those connected with employer declarations show clearly the prevailing role of Ukrainians on the Polish labour market (Brunarska, Kindler, Szulecka and Toruńczyk-Ruiz 2016). They constitute about 80–90 per cent of the foreign labour force. This phenomenon of the prevalence of non-national workers of a single nationality cannot be observed in any other EU member-country, which again makes Poland exceptional (Górny 2017). The role of workers who enjoy the free movement of persons has been marginal until now. Immigrants in Poland usually find employment in sectors in the so-called secondary segment of the labour market – i.e. in construction, agriculture, manufacturing and domestic tasks. Interestingly a gradual increase in the share of foreigners in branches and sectors requiring high specialist qualifications can also be observed. More and more foreign workers find employment in basic sectors such as catering, cooking or retail sale, as well as in ICT and business (Kaczmarczyk 2015b). At the same time, there has been a steady rise in the percentage of businesses hiring foreign employees – in 2016 the share was 13 per cent (Gradzewicz, Sączuk, Strzelecki, Tyrowicz and Wyszyński 2016: 20). The inflow of immigrants into Poland also has a positive effect on the social security system. Immigrants from Ukraine very rarely take advantage of social assistance (Duszczyk, Góra and Kaczmarczyk 2013) while, at the same time, they increasingly contribute to the pension system. According to data sourced from the Social Insurance Institution, the number of immigrants

from Ukraine who paid social insurance contributions in 2017 increased by 50 per cent compared to 2016, reaching 440 000 (National Insurance Institution 2018). Therefore, the balance of payments both in and out is positive for the Polish system.

## **Results: the influx of immigrants and labour market indicators**

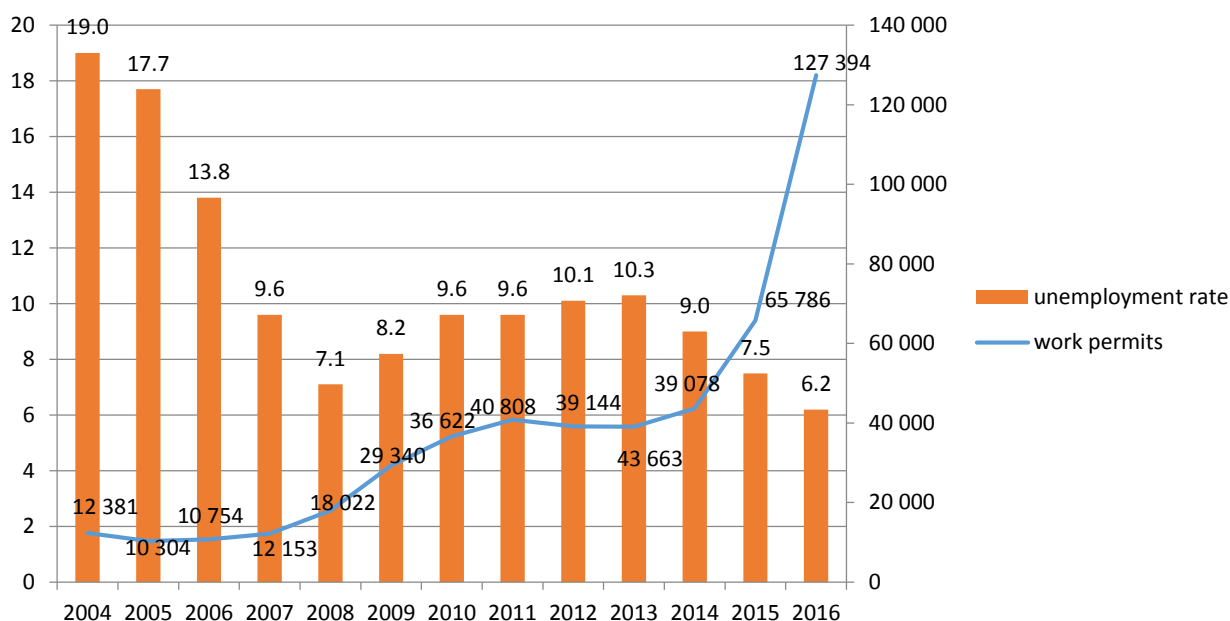
### *Unemployment rate*

The essential and most often used measure in monitoring the situation in the labour market is the unemployment rate. As in other countries, in Poland there are two methods to measure this. The first is based on labour office registers, which contain details only for people who meet the national definition of ‘unemployed’. The second method is in accordance with global standards (International Labour Organisation and Eurostat), so its results can be compared with data pertaining to other countries (Kotowska, Matysiak and Strzelecki 2014). In order to ensure international comparability in this study we use the unemployment rate (the number of people unemployed as a percentage of the labour force) derived from the Labour Force Survey – i.e. calculated according to international standards. This allows for a direct interpretation without going into the intricacies of specific situations such as, for example, the case of persons obtaining the status of unemployed in order to receive health insurance, which can occur when registered unemployment indicators are used. Figures 1 and 2 concern, respectively, changes in the unemployment rate relative to the number of work permits issued between 2004 and 2016, and declarations of the intent to employ a foreigner which were registered with employment offices in years from 2007 to 2016. They show clearly that an increase in the number of foreign workers was accompanied by a decline in the unemployment rate in Poland. In the years 2004–2016 there was a moderate negative correlation between the unemployment rate and the number of work permits issued (the Pearson’s correlation coefficient equalled -0.58) (Figure 1). The correlation between the unemployment rate and the number of declarations issued was greater: the Pearson’s correlation coefficient amounted to -0.70, which is strongly negative. In particular, in the period 2013–2016, the dynamic increase in the number of both work permits (Figure 1) and employer declarations (Figure 2) was accompanied by a visible decline in unemployment in Poland. In the earlier years (2008–2012), when unemployment in Poland was growing, the employment of foreigners was either diminishing (2011–2012) or remained at the same level. With the decline in the unemployment rate after 2014, the number of immigrants grew rapidly. Thus, the observation can be put forward that the influx of foreigners on the Polish labour market was of an accommodative character.

With respect to the numbers of foreign workers, in a short time, employer declarations have become the basic form of access to the Polish labour market for foreigners from third countries who are employed in seasonal work. In 2016 there were over 120 000 work permits issued, while the number of registered declarations exceeded 1.3 million. Even if the number of foreigners who actually came to Poland corresponded to only 60 per cent of registered declarations, as has already been mentioned, it was nevertheless six times greater than the number of work permits.

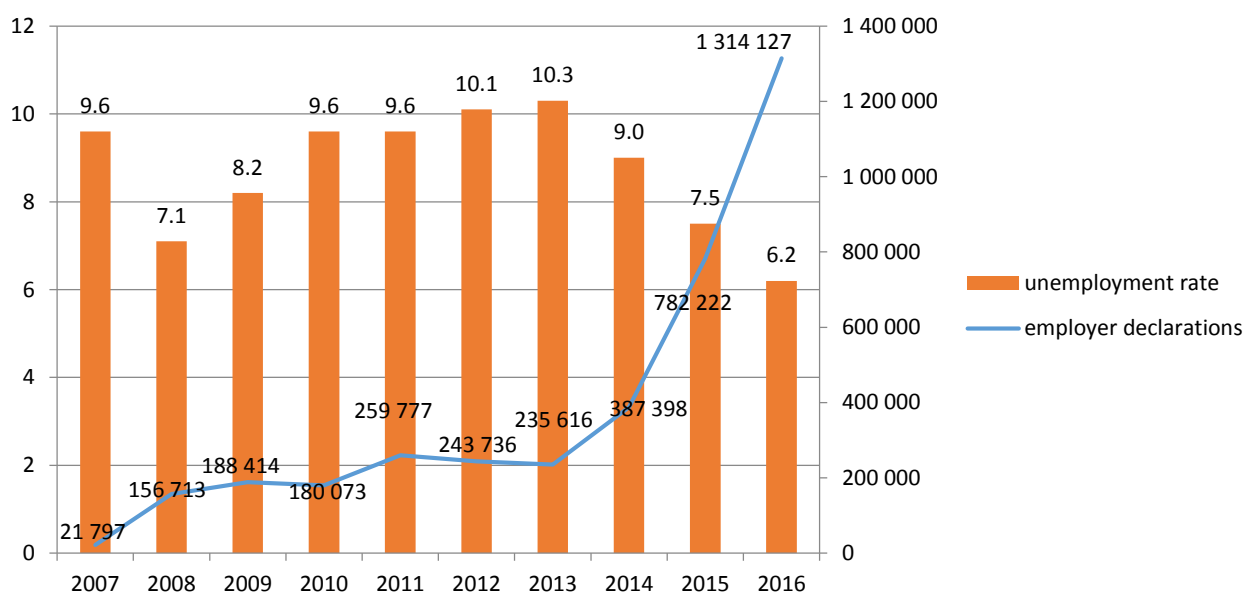
At the same time, a considerable number of foreigners working on the basis of an employer declaration stayed in Poland in the spring and summer only. This relates to the relatively high demand for seasonal work in this period, particularly in agriculture and construction, where immigrants from Ukraine frequently find employment (Górny and Kaczmarczyk 2018). However, the more than five-fold increase in declarations registered in the years 2013–2016 was not enough to bring about a growth in seasonal unemployment among native workers. In fact, throughout that period, unemployment dropped dramatically in the summer months (CSO 2017a).

**Figure 1. Work permits issued (right axis) and unemployment rate (left axis) in Poland, 2004–2016**



Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018b).

**Figure 2. Declarations submitted (right axis) and unemployment rate (left axis) in Poland, 2007–2016**



Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018b).

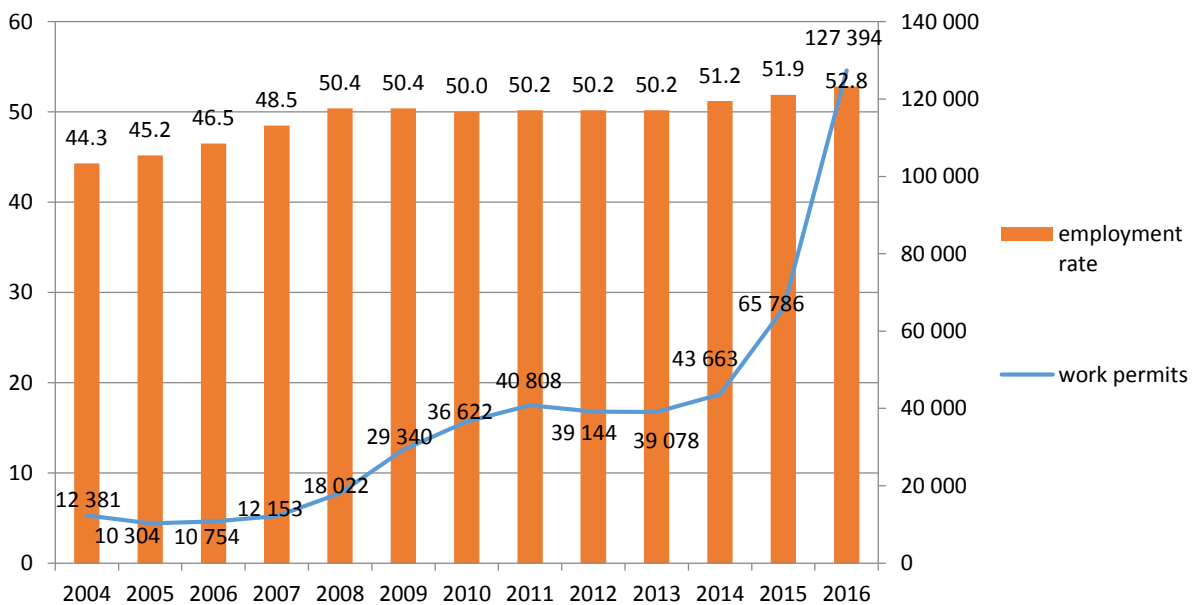
*Employment rates*

The employment rate, i.e. the percentage of people employed out of the total population, is another labour market indicator that deserves attention. An analysis of the relationship between this indicator and the numbers of work permits issued between 2004 and 2016 revealed a strong positive correlation (0.73) related to the growth of both indicators. These increases were particularly dynamic in 2013–2016 (Figures 3 and 4). Apparently, an increased population of foreign workers did not translate into the deactivation or displacement of



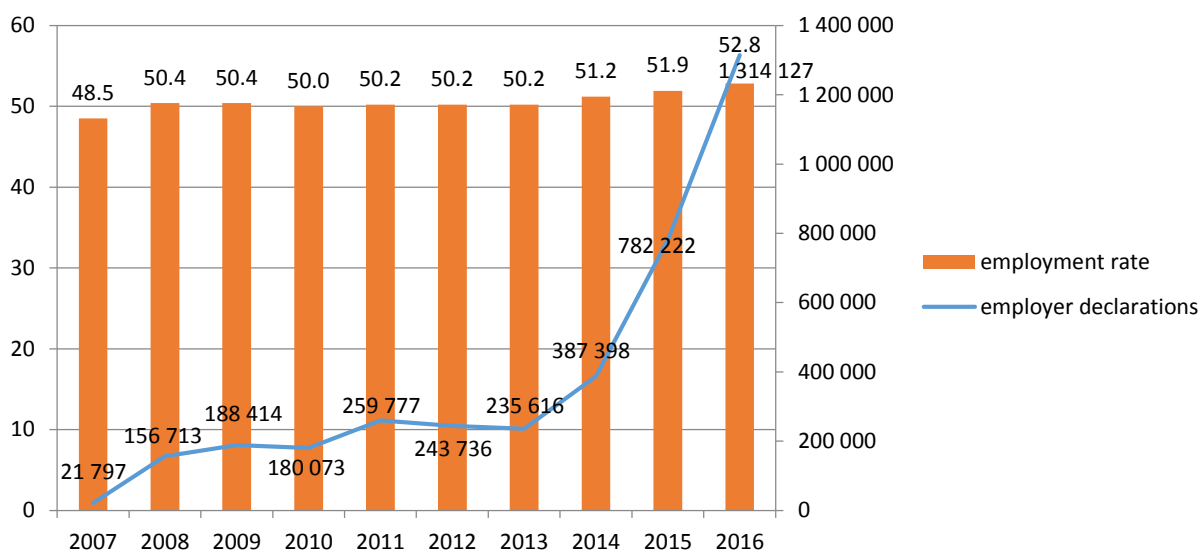
native workers from the labour market, nor was the influx of foreigners significant enough to weaken other labour-market-related processes stimulating employment in the Polish economy (e.g. Tyrowicz 2017). Given the observed tendencies – the decline in the rate of unemployment accompanied by the growth in that of employment – we can argue that a significant influx of foreigners onto the Polish labour market since 2014 has not impeded the process of passing from unemployment to employment (Figure 3). Similar outcomes have been recorded in other countries experiencing, simultaneously, rapid economic growth and an influx of immigrants determined to pursue work (Dustmann *et al.* 2005; Kerr and Kerr 2011; OECD 2016). The great determination of foreign workers in Poland to find work is because immigrants from third countries, with a few exceptions, are not entitled to social welfare benefits and must therefore live on paid work. One could also argue that foreign workers complement rather than substitute for native workers in Poland.

**Figure 3. Work permits issued (right axis) and the employment rate (left axis) in Poland, 2004–2016**



Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018b).

It should be stressed that the positive correlation between the employment rate and the number of declarations registered in 2007–2016 (0.91) was even stronger than for work permits (Figure 3 and 4). At the same time, some immigrants working on the basis of an employer declaration in Poland would like to be involved more permanently with the Polish labour market. In other words, they might be interested in an extension of their stay in Poland (Chmielewska, Dobroczyk and Puzynkiewicz 2016; Klimek 2015). We can thus risk the statement that such a process – i.e. the growing permanency of immigrants' employment – might take place in Poland in the future if other factors do not change, particularly those connected with economic trends. Therefore, the problem of transforming seasonal foreign workers into a workforce employed for the entire year in Poland deserves the attention of policy-makers.

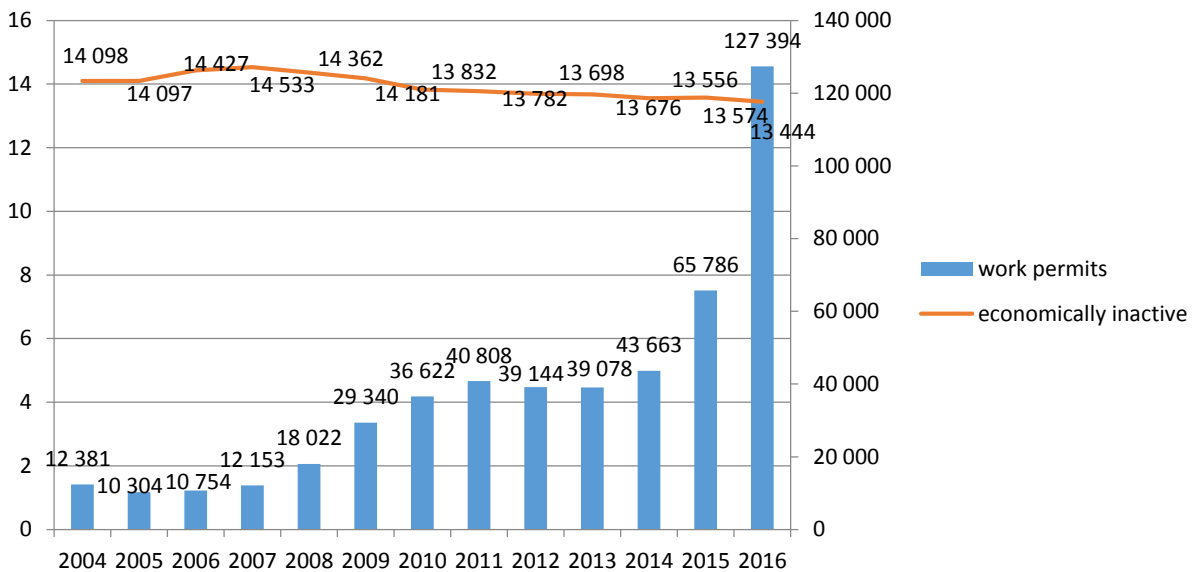
**Figure 4. Declarations submitted (right axis) and employment rate (left axis) in Poland, 2007–2016**

Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018b).

### *Economic inactivity*

Another indicator for the situation on a labour market is the number of economically inactive persons. The influx of foreigners can result in increased difficulty, for natives, in finding a job and induce a higher probability that they will resign from further job searches. This may lead to people remaining unemployed for longer which, in turn, is likely to lead to negative social outcomes. These would include a deterioration of skills, resulting in increased difficulty in securing employment in the longer term (Angrist and Kugler 2003; Boeri and van Ours 2008). These processes usually contribute to the increase in the number of economically inactive people. The major factors underlying occupational inactivity include education level, retirement or housework (e.g. during parental leave); however, their impact on the level of economic inactivity is observed mainly in the medium and longer term. The mass inflow of foreigners, particularly that which took place in Poland in the years 2014–2016, may have a decisive impact on the level of economic inactivity of Poles in the short term. However, data relating to the influx of labour immigrants to Poland and the changes in the number of persons economically inactive in the country (Figures 5 and 6) show a different tendency. At that time, the increasing presence of foreigners on the Polish labour market was accompanied by a decline in the number of economically inactive persons in Poland. Such a relationship was particularly noticeable after 2010. For the entire period of this study, a strong negative correlation ( $-0.76$ ) was observable between the number of economically inactive persons and the number of work permits issued. A negative correlation, not that much weaker ( $-0.67$ ), was also noted between the number of economically inactive people and the number of declarations submitted in 2007–2016 (Figure 6).

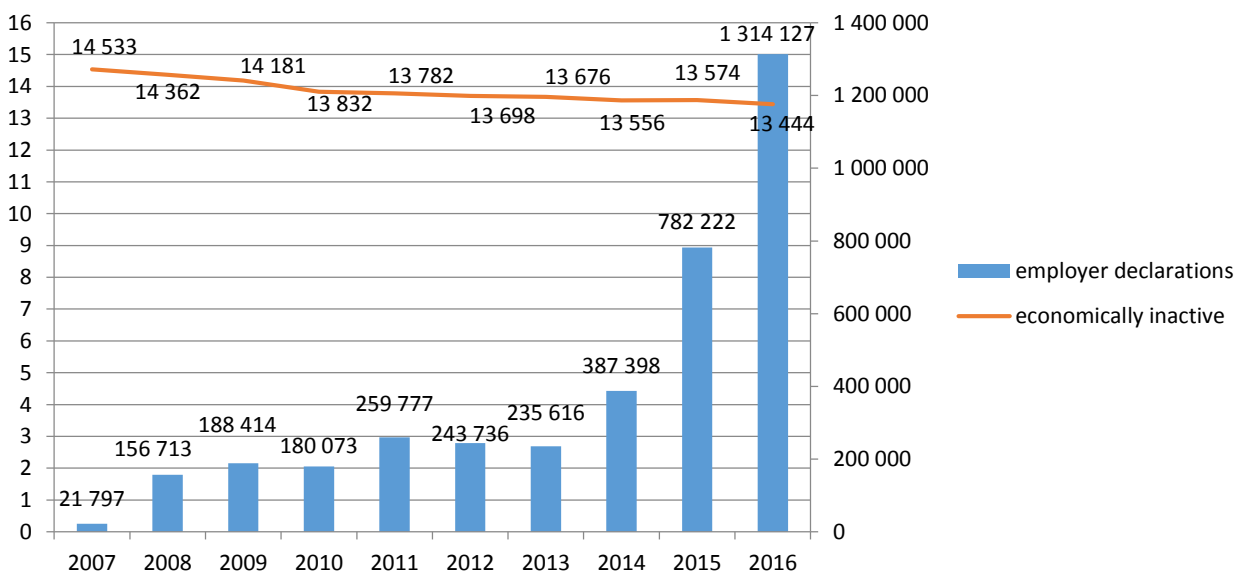
**Figure 5. Work permits issued (right axis) and the economically inactive population in millions (left axis) in Poland, 2004–2016**



Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018b).

Moreover, seasonally disaggregated data on economically inactive Poles indicate that, in spite of the dynamic increase in the influx of seasonal workers from abroad, the number of economically inactive Poles during the spring and summer months (i.e. when the largest group of immigrants are working in Poland) has not grown. This means that, in the period studied (presumably due to the economic boom and high emigration), the Polish labour market was capable of absorbing an increasing number of foreigners, including seasonal workers, without negative consequences for the economic inactivity of Poles.

**Figure 6. Declarations submitted (right axis) and the economically inactive population in millions (left axis) in Poland, 2007–2016**

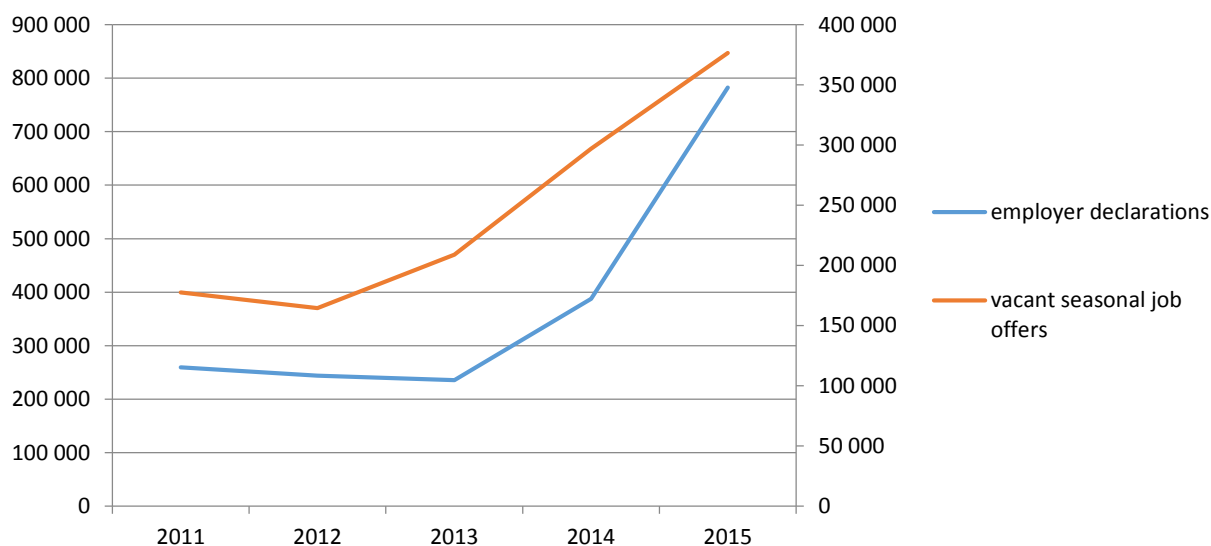


Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018b).

### Seasonal job offers

Given that employer declarations – which constitute the main legal channel of entry into the Polish labour market for foreigners – are dedicated only to temporary employment, it is worth devoting some space to another indicator of the Polish labour market – seasonal job offers. The last part of our analysis relates therefore to interrelations between the increase in foreign seasonal employment in Poland (on the basis of employer declarations) and changes regarding job offers. From the data presented in Figure 7, it follows that the increase in the number of declarations registered coincides with an increasing number of vacant jobs in seasonal work – in 2011–2015 a very strong positive correlation (0.93) was observed between the two indicators. Presumably only some of the vacancies (but probably most of them) were filled by foreigners in Poland. Nevertheless, we can argue that the influx of foreigners on the Polish labour market did not worsen the situation of Poles looking for seasonal jobs.

**Figure 7. Declarations submitted (left axis) and vacant seasonal job offers (right axis) in Poland, 2011–2015**



Source: CSO (2017a) and Ministry of Family, Labour and Social Policy (2018a).

### Summary and conclusions

The main goal of the paper was to demonstrate the interrelations between the dynamic growth in the influx of foreign workers and changes on the Polish labour market. Between 2007 and 2016, Poland recorded an intensified influx of immigrants, particularly from Ukraine, an influx which was exceptionally dynamic in 2014–2016. This might have had negative outcomes for the labour market through a rise in the unemployment rate or a decline in that of employment. However, the analysis presented in this paper suggests that this negative scenario did not actually take place. On the contrary, the increased presence of foreigners on the labour market was accompanied by improvements in these labour market indicators. Data referring to changes in the unemployment rate suggest the complementarity of the employment of foreigners in the Polish labour market. In spite of an exceptionally rapid growth in the number of foreign workers in Poland (by as many as several hundred per cent) in 2014–2016, the unemployment rate dropped in this period. Nor did an increased influx of immigrant labour worsen the likelihood of Poles finding a job, as can be seen from the correlations between unemployment rate, employment rate and the dynamic increase in the influx of foreign workers in 2014–2016.

It should be stressed, however, that any tendencies revealed relate to the short-term perspective only. In the long run, for example, if economic trends change for the worse, then the interrelations between labour market indicators and foreign employment might look somewhat different.

An increase in the scale of employment of foreigners who mainly undertook seasonal work in Poland was accompanied by a growth in the employment rate in general, pertaining to both seasonal and permanent workers (CSO 2017a). The implementation of instruments allowing foreigners to change their seasonal employment into permanent should therefore definitely be recommended as this would help to stabilise their situation in the labour market without enhancing the risk of deterioration in the labour market. In this case, however, we must be aware of other factors, especially those of an endogenous nature such as, for example the structure of the labour market, the conditions of employment offered or workers' access to social services. It seems, nevertheless, that the stabilisation of the employment of foreigners already present in Poland (a transition from seasonal to more permanent employment) could be advantageous for the Polish labour market and therefore for the Polish economy overall. It can also contribute to a stronger attachment of foreign workers to the Polish labour market. Ukrainian citizens already enjoy freedom of movement (for tourist purposes only) within the EU. A further relaxation of the barriers of access to the EU labour market for them is not impossible. The more stable their situation on the Polish labour market, the less likely they are to go in search of jobs in other EU countries. Certainly, more stable working conditions for migrants also mean that it will be more difficult to stimulate their return migration in the face of an economic crisis, which is why many countries are not interested in transforming seasonal employment into permanent (e.g. Zimmermann *et al.* 2007).

This dramatic growth in the number of foreigners in the Polish labour market has also not translated into an increasing number of economically inactive persons in Poland, implying that the number of people who stopped looking for jobs and who remain passive has not grown in spite of increased competition for jobs between them and foreign workers. With some caution we can even argue that the influx of foreigners might have brought about *positive* impulses in the labour market – all other economic indicators being constant – thus contributing to the growth in the number of jobs (for native workers, too) and inducing a decline in the number of persons who are economically inactive.

It must be stressed, nevertheless, that an examination of the correlation between foreign employment and labour market indicators without analysing other economic factors impacting on the Polish economy, is not sufficient for the formulation of far-reaching recommendations. At the same time, the results of our analysis should be seen to provide very important information which might indicate the advisability of making some political decisions. For example, the correlations presented in the paper suggest that there is currently a need to maintain a liberal immigration policy in Poland. At the same time, if a further growth in the influx of foreigners is accompanied by growth in the unemployment rate, this would be an important – albeit not the only – sign that immigration policy should be changed into a more restrictive one. In such a context, one can affirm that the conclusions drawn from the analysis should therefore be taken into consideration when making decisions about migration policy and, in particular, the need to apply the so-called labour market test carried out by district employment offices before issuing work permits to citizens of third countries. This involves first ensuring that there is no Pole or citizen of the EU or an EEA member-state willing to take the vacant job. This leads to the conclusion that the application of this instrument should be considered as purely optional – for example, for use in a situation of growing unemployment. An additional argument supporting this approach is the lack of test material regarding declarations of intent. Ultimately both systems should be united but in such way that no advantages resulting from flexible solutions of immigration policy are lost and simultaneously that instruments of rapid reduction in the number of foreigners in the event of an economic downturn are retained. The test of the labour market could serve this purpose if introduced in specific situations and empirically confirmed – a sort of 'safety valve', not a constant element of immigration policy.

## Notes

<sup>1</sup> This procedure includes citizens of Armenia, Belarus, Georgia, Moldova, Russia and Ukraine, who can all undertake employment without work permits for a period of 6 months in any 12 consecutive months.

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No potential conflict of interest was reported by the authors.

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