

# **СРАВНИТЕЛЬНЫЙ АНАЛИЗ РАЗВИТИЯ РЕГИОНОВ МИРА В УСЛОВИЯХ СТРУКТУРНЫХ СДВИГОВ: ВНЕШНЕЭКОНОМИЧЕСКИЕ ФАКТОРЫ, МОДЕЛИ, НОВЫЕ СЕКТОРА ЭКОНОМИКИ, АДАПТАЦИЯ К РОССИЙСКИМ УСЛОВИЯМ**

---

УДК 331.5

**Maria Balcerowicz-Szkutnik,**

doctor of Economic Sciences, professor,  
Department of Labour Market Research and Forecasting,  
University of Economics  
e-mail: maria.balcerowicz-szkutnik@ue.katowice.pl  
Katowice, Poland

**Elżbieta Sojka,**

doctor of Economic Sciences, professor,  
Department of Statistical- Mathematical Methods in Economics  
University of Economics  
e-mail: elzbieta.sojka@ue.katowice.pl  
Katowice, Poland

**Włodzimierz Szkutnik,**

D. Sc. Professor,  
Department of Statistical-Mathematical Methods in Economics,  
University of Economics  
e-mail: wlodzimierz.szkutnik@ue.katowice.pl  
Katowice, Poland

## **FOREIGNERS ON THE LABOUR MARKET IN POLAND**

### *Abstract:*

The goal of the paper is the analysis of the scale and structure of the phenomenon of labour immigration in Poland after its accession to the European Union. Gradual liberalisation of legal regulations concerning immigrants on Polish labour market that occurred after 2004 has had an impact on continuous increase in the number of immigrants who work legally in Poland. Citizens of Ukraine are a predominant group of foreigners. Ukrainians have dominated labour market in Poland mainly in construction sector, services in households, agriculture and also in the sector of transport services and warehousing.

### *Keywords:*

Foreigners, legal regulations, labour market, segmentation, Poland.

## **Introduction**

Due to the process of population ageing in Poland and migration of working age population, the country is facing the problem of meeting labour market shortages [1, pp. 180-195]. Among the EU member states, Poland is the country of the lowest rate of foreigners (residing for over 12 months) in total population. The rate is just 0.3%. This means that Poland has remained a homogenous country with respect to nationality despite the increase in the scale of immigration for permanent residence in Poland that we have been facing in recent years, particularly from Ukraine [2, p.233].

The goal of the paper is the analysis of the scale and structure of the phenomenon of labour immigration to Poland after its accession to the European Union. An attempt is made at answering two research questions, i.e.: Is the inflow of immigrants a threat to domestic labour market or is it an opportunity to increase competitiveness of Polish economy?

What are the forecasts for the future in the sphere of employment for foreigners?

All analyses concerning the access of foreigners to Polish labour market were conducted on the basis of statistics presented on the webpage of the Ministry of Labour, Family and Social Policy (MRPiPS) [3].

## **Legal regulations concerning employment of foreigners**

Every foreigner who is not exempted from the obligation to hold a work permit in Poland under the provisions of law, and who wants to be employed on the territory of the Republic of Poland, must hold an appropriate permit. The application for work permit is submitted to a competent voivode by an employer, or in the case of a permit for temporary residence and work (since 1st May 2014), by the foreigner who is already legally residing on the territory of Poland. The permit is issued for a determined period of time, no longer than for 3 years, and can be extended [4].

In the light of binding regulations people holding the nationality of the EU member state, European Economic Area (EEA) and Switzerland can take up employment in Poland with no demand of getting a work permit. Foreigners who were granted protection in Poland (e.g. a refugee status or a permit for tolerated stay), people holding the Card of the Pole, teachers of foreign languages in institutions belonging to the system of education, graduates from Polish high schools and full-time programs at universities, as well as doctoral students studying in Poland and scientists are also exempted from the obligation to apply for the work permit. The list of foreigners who do not need to have a work permit is significantly longer. [3], [4].

The citizens of six countries, including Armenia, Belorussia, Georgia, Moldova, Russia and Ukraine also do not need to hold a work permit. It is only

required that the statement concerning the intention to employ a foreigner was registered by the employer in the Poviats Employment Office. Because of minimum of formalities and low costs (registration of the statement is free of charge), this procedure is very popular in Poland, both among the employers and foreigners starting work.

### **The scale and structure of legal employment of foreigners** *Foreigners employed on the basis of permit*

It results from data of MRPiPS [*Ministry of Family Labour and Social Policy*] that the number of work permits between 2004 and 2015 was constantly growing from 12.3 thousand in 2004 to over 69.1 thousand in 2015. This represents over five-fold growth (fig. 1).

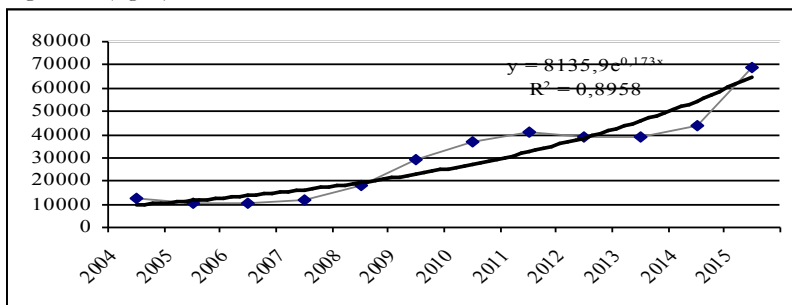


Fig. 1. The number of work permits granted to foreigners in Poland between 2004 and 2016

In 2015 the largest number of work permits was reported so far. It was by half higher than in the previous year, and it results from the preliminary data that the number of permits for 2016 may be higher than 90 thousand or may come close to this level. This means that liberalisation of regulations contributed to increase in the number of foreigners on Polish labour market. Even the economic crisis did not hamper the process; on the contrary, in the period between 2007 and 2009 the number of work permits grew almost by 2.5 times.

Ukrainian people are a predominant group of foreigners on Polish labour market. In 2015, over 57 thousand work permits were granted to Ukrainians and it is twice as much as the year before. Their share in the total number of issued permits grew to the level of 83%. Attractiveness of Polish labour market for Ukrainians results among others from geographical proximity, higher salaries than in Ukraine and contacts with countrymen in Poland that form the so-called migration networks. They allow for minimising the costs of residence in the first weeks of residence.

In the ranking of work permits successive positions are occupied by the citizens of Belorussia (2.2 thousand – 3.2%), Moldova (1.6 thousand – 2.3%), Uzbekistan and India (1.5 thousand – 2.2%), China (1.3 thousand – 1.9%) and Vietnam (0.7 thousand – 1.1%). The share of citizens of other countries is slightly higher than 3% of the total number of immigrants that received work permits in 2015. In the period between 2014 and 2015 the largest increase in the number of work permits (apart from Ukrainians) was reported among citizens of Moldova (by 54.4%) and Uzbekistan (by 42.6%), whereas fewer permits than a year before were granted to citizens of Vietnam (by 69%) and China (37.1%).

A significant number of foreigners (93.2%) worked on the basis of type A of work permit, under which the foreigner is bound to the employer who has an office in Poland by a contract (employment contract or civil law contract) [5]. Majority of A type work permits concerned relatively short periods of employment, i.e. from 3 months to a year (75.4%), whereas the number of work permits for the period of over 2 years was significantly smaller (9.2%). The rates were different depending on the worker's nationality. Considering the fact that Ukrainians are the largest group, the structure of work permits with respect to their validity period for the nation was shaped similarly to all the immigrants. On the other hand, citizens of India more frequently obtained work permits for the period of time longer than 2 years (20%)<sup>1</sup>.

Immigrants are most often employed in construction industry (19.6% permits issued in 2015), transport and warehousing (12.1%), households (11.5%), retailing and wholesale trade (8.5%), industrial processing (7%), professional, scientific and technological activity (5%), agriculture, hunting and fishery (4.7%), activities associated with accommodation and gastronomy-related services (3.9%), and also in information and communication (2.6). It results from data that between 2008 and 2015, the share of immigrants employed in construction industry doubled, whereas the decrease of share was observed in industrial processing, retailing and wholesale trade. Diversified preferences concerning foreigners' work in particular economy sectors can be observed in voivodeship-based structure. These regional differences result from the specific economy structure in particular voivodeships [6, p. 23].

Concentration of citizens of some countries in selected economy sectors is really apparent. Ukrainians are predominant in the labour market in Poland mainly in the sphere of construction industry, services in households, transport services and warehousing services. A half of Uzbekistan citizens work legally in construction industry, whereas the Chinese and the Vietnamese start commercial activity.

---

<sup>1</sup> For citizens of Ukraine, Vietnam, China and Moldova, the rates were respectively 9.2%, 9.1%, 5.1% and 4%.

They also work in accommodation related jobs and in gastronomy sector. In the case of transport industry, Belarusians are predominant (70% of all permits issued in this sector). In the case of Hindus, the largest number of permits was reported in information and communication sectors, as well as in scientific and technology-related activities.

If the structure of immigrants is analysed by occupations performed by them, the conclusion can be formulated that in 2015, qualified workers were the largest occupational group constituting 43.4%. In comparison with 2008, the number of permits granted to workers employed at performing simple work grew by 10%, whereas the number of people employed in management positions declined. In 2008 27% of all issued permits represented this occupational group, and in 2015 it was only 5.5%. This can represent a progressing segmentation of labour market in Poland. Demand on workers in the sectors that are not popular with native workers because of the salary level and prestige of performed work is growing.

### ***Foreigners working on the basis of employer's statement***

Register of statements concerning foreigners' employment is the second source of information about the scale of legal employment in Poland. However, it ought to be emphasised that the number of foreigners who started work in relation with registered statement does not need to be the same as the number of registered statements. There are a lot of abuses or even pathologies in this sphere. For example, employers often register a number of statements that is much higher than the number of workers they actually need. Because of this, the number of foreigners who have the possibility of employment in Poland on the basis of employers' statements can only be estimated [2, p. 238].

Data from the Ministry of Labour, Family and Social Policy (MRPiPS) show that if between 2008 and 2013 the number of registered statements was constant and fluctuated between 157 thousand to 240 thousand, in 2014 their number increased to over 780 thousand. This represents three-fold growth in comparison with 2013, and two-fold rise in comparison to 2014. Already in the first half of 2016 Polish employers declared the intention to give employment to over 634 thousand workers from the East, mainly from Ukraine, and further growth of inflow of these workers to Poland, of up to 1 million is predicted [7].

Statements are registered mainly for citizens of Ukraine. Their share grew from 93% in 2007 to 97.5% in 2015. The share of other foreigners who were entitled to be employed on the basis of statements was marginal. The increase in the scale of employment of Ukrainians in Poland can be related to continuing economic and political instability on the one hand and on the other hand to the fact that a number of statements obtained by citizens of Ukraine is resold to other foreigners. Thereby, the simplified statement procedure may become the way to

obtain illegal employment in Poland [8, p. 86]. It can be supposed with high degree of probability that increase in the scale of registration of statement in 2015 will generate additional problems with illegality of foreigners' employment in Poland.

Immigrants mostly go to voivodeships and regions of Poland where the situation on labour market is the best (low level of unemployment and high level of employment) and where salaries are the highest. However the sector structure of registered statements concerning the intention to offer employment is significantly different from the structure of work permits. It results from analysis of data that the procedure of statement was mainly applied by farmers (61% of all statements) and construction workers (11.1%). Nearly 90% statements concerned employment for the period of 3 to 6 months, and 70% of foreigners working on the basis of statement by the employer were people aged 40 and younger.

### **Immigrants – a chance or a threat to Polish labour market?**

In Poland, similarly to the West European states, segmentation of labour market is starting to proceed. The basis for this concept, the so-called dual labour market was developed by American researchers M.J. Piore and P.B. Doeringer [9, pp.63-65; 10, pp. 29-32; 1, p.74].

This concept assumes that labour market is divided into primary and secondary sector. Work in the primary sector that is undertaken by native people, is characterised by high level of salaries, good working conditions, permanent character of employment or opportunities for promotion. Employment and salary mechanisms are determined by legal system and they are also significantly controlled by the impact of trade unions. Therefore people employed in this sector are protected against employers' malpractices. In the second (secondary) segment, relatively low salaries are offered, working conditions are poor, there is little chance for promotion, there is little possibility to improve qualifications and therefore work in this segment does not enjoy recognition of native workers. Therefore they are occupations for unskilled immigrants who agree to work for low salary. This is why the secondary labour market attracts immigrants and, considering native labour force, women and juveniles.

Immigrants are not a threat to native population on Polish labour market because they find employment in the occupations that are rejected by local people. Short-time character of employment proves complementary rather than competitive employment. Furthermore, giving employment to immigrants does not bring increase in unemployment rate but has a stabilising effect on the country economy. As results from data of Central Statistical Office [*Główny Urząd Statystyczny*], registered unemployment rate declined from 13.4% in 2012 to 9.8% in 2015. In August 2016 unemployment rate reached a record low level of 8.6% and it has been the lowest level since 1990 [11].

As research conducted by the largest employment agency in Poland, Work Service S.A. shows, due to growing labour force shortage, already 38% of companies consider giving employment to workers from Ukraine. It is forecasted that an inflow of over 1 million foreigners can be expected in 2016 [7].

### Conclusions

Due to decrease in working age population and population ageing, Polish labour market will demand workers from abroad in the near future. However, without offering them better conditions, larger protection and more friendly law, they will not be willing to stay longer in the country of immigration. Nowadays, there is still a lot to be improved in this sphere.

Together with social and economic development, labour force shortages will be increasingly apparent in many sectors of Polish economy. In majority of developed countries, they are compensated for by permitting or even encouraging immigration. In the future Poland must be prepared to import mid-level staff, for example doctors or engineers because it seems that for the last 10 years not enough professionals of this type have been educated, and a lot of Polish people are emigrating to the West. Therefore appropriate political decisions are necessary to prevent hampering of economic growth.

### References

1. Sojka E., (2007), Migracje ludności i rozwój demograficzny Śląska w okresie transformacji [*Population Migrations and Demographic Development of Śląsk in the Period of Transformation*], Prace Naukowe Akademii Ekonomicznej w Katowicach [*Research Papers of the University of Economics in Katowice*], p. 74.
2. Sytuacja demograficzna Polski, Raport 2014-2015 [*Demographic Situation in Poland, Report 2014-2015*], Rządowa Rada Ludnościowa [*The Government Population Council*], Zakład Wydawnictw Statystycznych [*Institute of Statistical Papers*], Warsaw 2015, p. 233 - 238, in: <http://bip.stat.gov.pl/organizacja-statystyki-publicznej/rzadowa-rada-ludnosciowa/publikacje-rzadowej-rady-ludnosciowej/>.
3. Ministerstwo Rodziny, Pracy i Polityki Społecznej [*Ministry of Labour, Family and Social Policy*], [https://www.mpips.gov.pl/gfx/mpips/userfiles/\\_public/](https://www.mpips.gov.pl/gfx/mpips/userfiles/_public/)
4. 1\_NOWA%20STRONA/Analizy%20i%20raporty/cudzoziemcy%20pracujacy%20w%20polsce/zezwolenia%202015\_popr.01.09.16.xls (accessed 17.09.2016).
5. Law on promotion of employment and institutions of labour market of 28th November 2013 Dz. U. [*Official Journal of Law*] 2013 section 674 as amended).
6. Regulation of the Ministry of Labour, Family and Social Policy of 1st April 2015 on issuing work permits for foreigners, Dz. U. [*Official Journal of Law*] 2015, section 543.

7. Kaluża-Kapias D., (2016), Imigranci na polskim rynku pracy według statystyk MPIPS [*Immigrants on Polish Labour Market in statistics of Ministry of Labour, Family and Social Policy*], „Studia Ekonomiczne” [„*Economic Studies*”]. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach [*Research Papers of the University of Economics in Katowice*], no. 258.
8. <http://finanse.wp.pl/kat,1033725,title,Pracownik-ze-Wschodu-pilnie-poszukiwany,wid,18515211,wiadomosc.html?tid=117c8f>(accessed 26.09.2016).
9. Matkowska M., (2012), Imigranci na polskim rynku pracy [*Immigrants on Polish Labour Market*], Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania [*Research Papers of Faculty of Economics and Management*], no. 25, Uniwersytet Szczeciński [*University of Szczecin*], Szczecin.
10. Solga B., (2013), Miejsce i znaczenie migracji zagranicznych w rozwoju regionalnym [*Place and Importance of Foreign Migration in Regional Development*], Publisher: Wydawnictwo Instytut Śląski, Opole, pp. 63-65.
11. Górny A., Kaczmarczyk P., (2003), Uwarunkowania i mechanizmy migracji zarobkowych w świetle wybranych koncepcji teoretycznych [*Determinants and Mechanisms of Economic Migrations in the Light of Selected Theoretical Concepts*], Prace Migracyjne [*Works on Migration*], no. 49, Instytut Studiów Społecznych Uniwersytetu Warszawskiego [*Institute of Social Studies of Warsaw University*], pp. 29-32.
12. <http://stat.gov.pl/obszary-tematyczne/rynek-pracy/bezrobocie-rejestrowane/> (accessed: 26.09.2016).