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**Ethnic division on emerging  
foreign labor markets in  
Poland during the transition  
period**

**Krystyna Iglicka**

**Kwiecień 2000**

Ośrodek Badań nad Migracjami  
Instytut Studiów Społecznych UW  
Stawki 5/7  
00-183 Warszawa  
Tel.: 48+22+8315153  
Fax: 48+22+8314933  
Internet: ISSINFO@SAMBA.ISS.UW.EDU.PL

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## **Abstract**

This paper focuses on the immigration into Poland and its impact on the labor markets. It is emphasized that population phenomena that occurred in Poland after the collapse of the system influenced and changed the situation on labor markets. It is stressed that foreign labor markets in Poland are divided according to ethnicity. Foreigners from Western Europe and the US find an employment on the primary labor market only. Foreigners from Asia are employed in the primary and secondary sectors whereas foreigners from the former Soviet Union find an employment mainly on the secondary labor market. Official statistical data and survey results that were used in this study show that Poland – Central European latecomer to the global scene – may serve as a model in the analysis of changes on labor markets from the perspective of immigrants' role in this process.

## **1. Introduction**

A different literature in economics noted the segmentation of the labor market into primary and secondary sectors that characterize advanced industrial economies (Gordon 1972; Edwards 1975; Piore 1979; Portes 1981). In the capital-intensive primary sector employers invest in workers by providing specialized training and paying for their education. Unemployment benefits are guaranteed in the contracts. Jobs although complicated are stable, workers are professionals and became more like capital for employers (Piore 1979).

As far as the foreign labor force is concerned primary labor market generally tends to occur through the legal channels, thus the legal status of immigrants is regulated and it is mainly on the basis of work-permit visa or the permanent residence. Ethnicity does not play an important role here since workers are hired mainly according to ability. Immigrants tend to have mobility chances comparable to those of native workers. They may start at the bottom of the job ladder but work conditions and remuneration are equal with the domestic labor. And finally the function of primary sector is usually to supplement the domestic labor force rather than to discipline it (Portes 1981).

Primary sector in the receiving countries is strongly correlated with the phenomenon of the brain drain in the sending countries. Thus, for example, the third and sixth preference categories of the amended 1954 U.S. Immigration Act are reserved for

professionals, technical, and skilled workers in short supply in the country (Portes 1981: 283).

Contrary to the above, labor-intensive secondary sector recruits jobs which do not need prior training, have little or no mobile opportunities and are at the bottom of the wage scale. Low wages, unstable conditions, and the lack of reasonable prospects for promotion in this sector make it difficult to attract native workers. Thus, in modern market economies there is a permanent demand for workers who are prepared to work in such unfavorable and unstable conditions (Piore 1979). To fill the demand shortages employers turn into immigrants.

Therefore immigration flows into this market possess opposite characteristics of that absorbed by the primary sector. First of all legal status of immigrants on this market varies from illegal to temporary stay. It is rarely a permanent residence. Ethnicity plays an important role here since workers are hired according to the ethnicity mainly. Immigrants are hired for short-term jobs (sometimes seasonal only) what does not create opportunities for upward mobility. Since the main role of immigrants here is to discipline the domestic labor force the main function of the secondary sector is to lower the prevailing wages (Portes 1981).

Within receiving societies, once immigrants have been recruited into particular occupations in significant numbers, these jobs become culturally labeled as 'immigrants jobs'. The stigma comes from the presence of immigrants, not from the characteristics of the job. In most European countries, for example, jobs in automobile manufacturing came to be considered 'immigrants jobs', whereas in the United States they are considered 'native jobs' (Massey et al., 1993: 453).

In the following sections I discuss the changes in population mobility in Poland after the collapse of the communist system and their impact on labor markets. I distinguish two flows of migration into Poland (divided into different categories of migrants): from the East and from the West and their inputs on the primary and secondary labor markets. I assume here that the formation of a foreign labor force or immigrants' enclave on the labor market 'is not a product of deliberate economic policies by the state or labor needs of the capitalist class, but depends on the initiative and resources of the immigrants themselves. Their emergence is contingent, however, on a series of unique historical circumstances (Portes 1981: 291).

## 2. Foreign Labor Force in Poland – Basic Pool

The fall of the communist system and the slow, sometimes painful birth of the new one have generated population phenomena, which were completely unexpected both by people and governments in Western, Central and Eastern European countries (Iglicka and Sword 1999). From the point of view of the impact of immigration on labor markets the most important were:

- An influx of persons from neighboring countries, particularly the former Soviet Union, arriving as a part of visa-free shuttle movements;
- An influx of foreigners who require visas to enter Poland;
- ‘Permanent’ immigration (both from the East and from the West).

Apart from the first category the other categories are placed in the official statistical registers of foreigners as:

1. Persons granted a permanent residence permit (PRP) – these are persons who have been granted permission to reside and settle in Poland;
2. Persons with a right to be legally employed by a Polish employer – persons who received permission to reside in Poland before they crossed the border into Poland. This visa is granted abroad by the Polish Consulate when documents are presented which confirm that the Polish employer has permission from the director of a given voivod’s labor office to employ the foreigner;
3. Persons granted permission to reside in Poland for a determined time period – persons who can present justifiable reasons for residing in Poland. Such reasons are: a) employment permitted by the authorities; b) economic activities; c) studies; d) marriage to a Polish citizen or to a foreigner who has permanent residence status (part of people in this register is included also in the register no. 2);
4. Persons who have come from abroad to reside permanently – persons who have ‘registered’ for permanent residence after they have arrived in Poland (according to unpublished estimates of the Central Statistical Office approximately half of those registering for permanent residence in Poland have Polish citizenship) (part of people in this register is included in the register no. 1) (Glabicka and Sakson 1997).

Labor migration to Poland is a recent phenomenon that gathered momentum only in the 1990s. Moreover, official statistical data indicate that the access to economic sectors in Poland for foreigners is segmented according to ethnicity. Movement from the former Soviet Union pertains mainly to the secondary labor market. Asians find an employment on both markets, whereas immigrants from the West tend to seek jobs on the primary labor market only. I will elaborate on this thesis in the sections on labor migration from the East and from the West respectively.

Since 1990 there has been an increasing influx of foreigners arriving in Poland to work in accordance with the regulations set out in the Act of Employment and Counteracting Unemployment of December 14th 1994<sup>1</sup>. Since the beginning of transition Voivod Labor Offices have issued yearly 10,000 to 15,000 work permits for foreigners working for Polish employers (Glabicka and Sakson 1997). During the period of 1990 to 1998 a total of 80,127 work permits were issued, 63% of which was comprised of individual permits and 27% of which were issued for export services and accepted contracts.

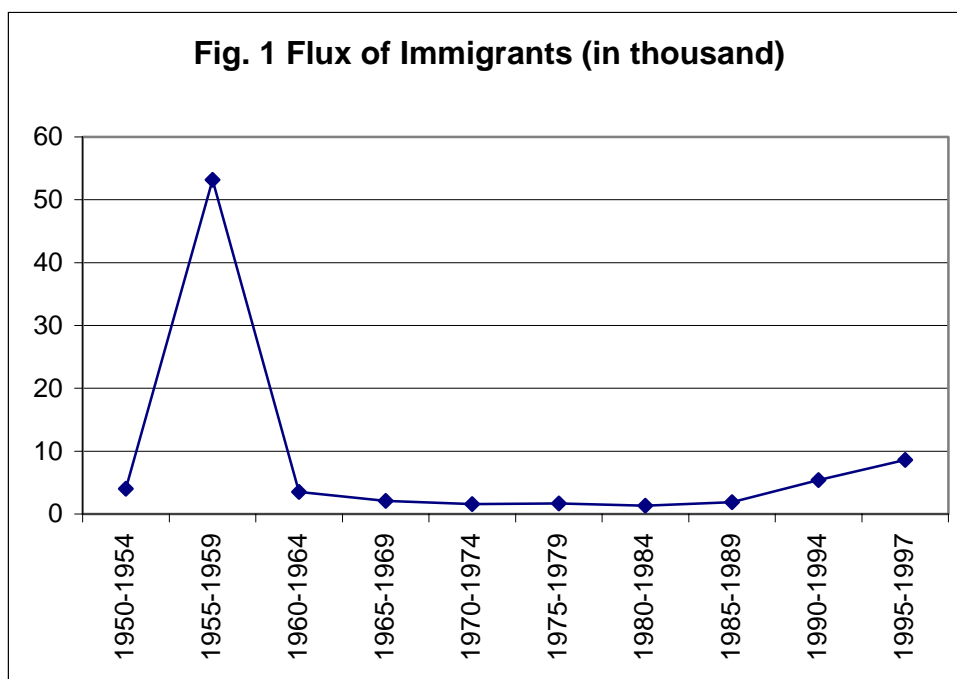
Statistical data on work permits issued by voivodeships indicate an accumulation of foreign manpower in large, urban agglomerations and in the following voivodeships: Warsaw, Gdansk, Katowice, Szczecin and Cracow.

Also data concerning immigrant population<sup>2</sup> shows a sudden increase that has occurred after the collapse of the system only. As it is seen in figure 1 the data on immigration showed an astonishingly stable pattern in the post-war period – since the beginning of 1960s annual inflows ranged from 1,500 to 3,000 only (Okolski 1998). According to Okolski (1998) a rough (minimum) estimate of the stock of foreign population legally staying in Poland in 1997 oscillated around 70,000 persons.

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<sup>1</sup> The new Act was released in 1998.

<sup>2</sup> Defined by the Polish Law as the stock of foreign citizens who after being granted a permanent residence permit were registered at any specific address as permanent residents of Poland and, until a given moment did not leave for any other country nor acquired Polish citizenship.



Source: Central Statistical Office

However, a massive influx of persons from the former Soviet Union, arriving as a part of shuttle movements (a flow that is almost completely impossible to be measured and to be categorized in official registers), has played a very important role in the changes on labor markets in Poland especially at the beginning of transition. In fact it was a harbinger of changes. Therefore I start the analysis of migration from the East with the description of this phenomenon and then consequently explain the role of more typical immigrants' flows on labor markets.

### 3. Migration from the East

The transformation of the political and economic structure at the end of the eighties disturbed the stabilized migration trends. Although Poland is still a country whose net migration outflow is higher than its influx, new qualitative changes that have begun to accompany immigration to Poland led some policy makers and scientists to state that Poland is slowly becoming a net-immigration and transit country (Korcelli 1991; Salt 1996; Kozłowski 1999). One of the most important factors that inverted rather stable migration patterns in Central Europe was mobility from the former Soviet Union.

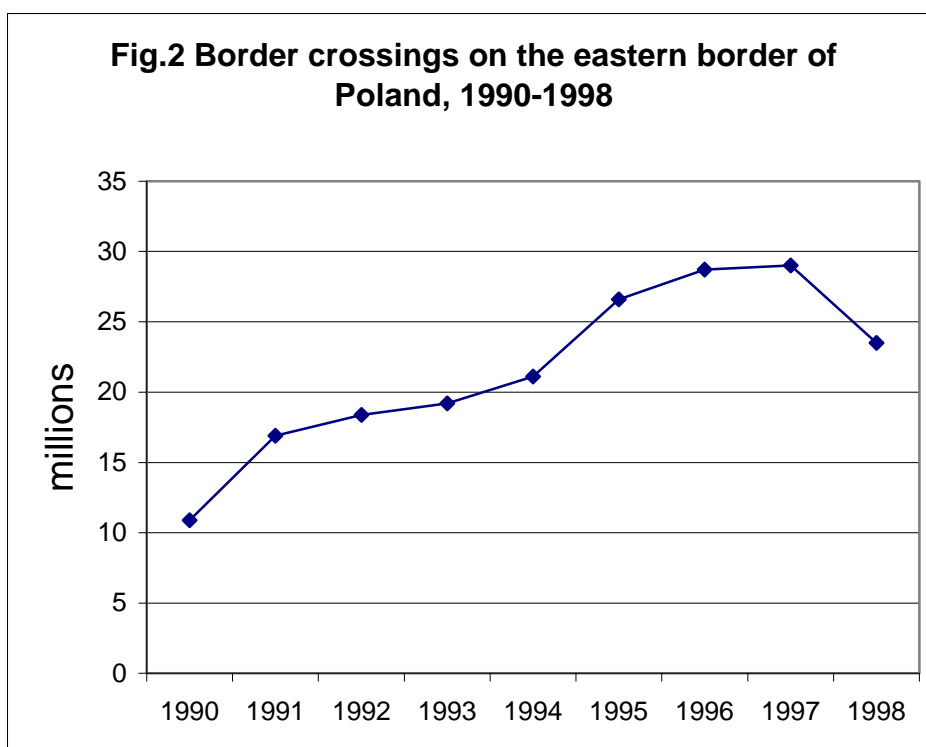


As far as numbers of visitors from the former USSR are concerned in 1989 fewer than 3 million of them entered Poland. Their number more than doubled the next year and continued to grow up to more than 14 million in the peak year 1997. In January 1998 Polish authorities complying with commitments arising from the forthcoming EU enlargement changed the Aliens Law<sup>3</sup> and regulations on documents for entry to Poland. This immediately affected movements from Belarus and Russia as Ukraine and Lithuania – other major resource countries for these movements - had signed new agreements on visa-free movement with Poland. With new, more strict entry regulations<sup>4</sup> and the Russian crisis in 1998 the numbers dropped; to date (mid-1999) this trend has not reversed (Stola, forthcoming).

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<sup>3</sup> Alien Law is a comprehensive document that regulates: 1) entry, exit, transit and residence of foreign nationals; 2) activities of the state and competence of various government agencies with relation to migration; 3) rights of foreigners in accordance to the international standards; 4) repatriation of ethnic Poles (Stachanczyk 1998; Jagielski 1997).

<sup>4</sup> Citizens from the former USSR do not need visa in order to visit Poland. They still benefit from the old Polish-Soviet agreement signed in 1979. According to this agreement the only requirement to enter Poland is a voucher and an invitation from a Polish citizen. Till 1998 these were possible to buy for few dollars at kiosks on eastern border. The more strict policy means that Border Guard started to control whether the required documents are not false and whether the tourists hold a required, minimal quota of money.



Source: Border Guard Statistics

Citizens of the former Soviet Union did not arrive to Poland to enjoy recently obtain freedom of movement. Most movements is a side effect of a sick post Soviet economy and take a form of ‘shuttle’ mobility which last from 3 to 7 days and is mainly for the purpose of trade and work since besides an easy access to Polish territory, migrants have also a relatively easy access to Poland’s informal labor market (Iglićka 1999; Stola, forthcoming). An estimate made on the basis of survey conducted in Ukraine and Poland in 1995 suggests that there may be more than 500,000 Ukrainians who during travelling to Poland work illegally. A great majority of them are petty-traders who as a side effect of their trade activities engage in a various, usually very short work contracts<sup>5</sup> (Okolski 1998). According to the Polish Ministry of Labor and Social Policy’s estimates there are about 100,000 – 150,000 foreigners working illegally each year in Poland (Informal Labor Market 1995). Majority of them comes from the ‘East’ (particularly former Soviet Union). Men work mainly in the construction field, forestry and fruit

<sup>5</sup> The estimate for 1995 shows that migrants with valid work permits constituted only 0.2 per cent of that figure (Okolski 1998).

farming. Women work also in fruit farming and besides that they are hired mainly as seamstresses, housekeepers and babysitters<sup>6</sup>.

The massive flux of arrivals from the former Soviet Union had many positive sides such as the development of some sectors of the Polish economy, competition on labor markets, etc. For several years the citizens of the former Soviet Union visiting Poland to shop, fostered local economic growth. Foreign demand for textile and leather products was, for instance, one of the main factors behind the boom of small, private textile and shoe businesses (Okolski 1996). Foreigners (especially those from the East) spent also a lot of money in Poland thus they contributed to alleviating a chronic negative balance of payment.

**Table 1.** The value of expenditures made by foreigners from neighboring states in Poland, 1994-1996.

Country	1994 (in mln PLN*)	1995 (in mln PLN*)	1996 (in mln PLN*)
<b>Belarus</b>	456.9	778.1	1184.7
<b>Czech Republic</b>	421.2	512.5	870.7
<b>Germany</b>	3628.2	4470.1	4965.6
<b>Lithuania</b>	116.4	130.7	118.8
<b>Russia</b>	109.2	84.0	138.9
<b>Slovakia</b>	133.7	160.3	251.3
<b>Ukraine</b>	317.8	578.2	1248.9

1 US\$ = 2.9 - 3.4 PLN

Source: Ruch graniczny i wydatki cudzoziemców w Polsce 1994-1996, 1997: 23.

A very good example of the ‘international petty-trade’ arising in Poland since the beginning of 1990s is the example of the Warsaw Bazaar (Sword 1999). With growing participation of foreigners from the East (not only citizens of the FSU but Asians as well – almost 60 per cent of customers at the fair are foreigners), the bazaar turned into a huge, predominantly textile-oriented market place. In 1995 the estimated turnover was more

<sup>6</sup> Although, according to that estimate a substantial proportion of those people are seasonal workers, it probably omits foreigners who were employed for a very short period of time, e.g. for a month or shorter (Okolski, 1998).

than US\$ 500 million and this made the bazaar one of the biggest Polish enterprises from the point of view of the turnover.

**Table 2.** Purchases made by foreigners at the Polish Bazaars.

<b>Bazaar (Town)</b>	<b>Foreign Customers (% of Turnover)</b>	<b>Of which wholesale (%)</b>	<b>Amount (in mln PLN based on 1996 turnover)*</b>
<b>Kostrzyn</b>	93	0	112 (9)
<b>Cedynia</b>	93	0	150 (8)
<b>Slubice</b>	92	0	175 (7)
<b>Cieszyn</b>	91	0	46 (14)
<b>Swinoujscie</b>	88	0	62 (12)
<b>Legnica</b>	87	0.1	348 (4)
<b>Bialystok</b>	83	22	432 (3)
<b>Gubin</b>	82	0	90 (10)
<b>Zgorzelec</b>	80	0	72 (11)
<b>Przemysl</b>	67	10	60 (13)
<b>Warsaw</b>	58	32	870 (1)
<b>Tuszyn</b>	31	29	589 (2)
<b>Rzgow</b>	24	14	204 (6)
<b>Gluchow</b>	19	19	238 (5)
<b>Krakow</b>	1	0	13 (15)

\* 1 US\$ = 3.4 PLN

Source: Sword 1999: 153

The Warsaw Bazaar gives employment to over 6,500 people. Caution estimates show that at least 3,000 are foreigners (Kozłowski 1999). But altogether the Warsaw Bazaar activities (including factories supplying the fair) give employment to as many as 60,000 people (Okolski 1996: 16). The other important fact is that the Warsaw Bazaar and other bazaars created for needs of traders from the East are considered to be a schooling and a first leg on the ladder for would-be entrepreneurs from the former USSR who will go on and create more orthodox and established businesses (Sword 1999: 165).

When new, more strict policy regulations towards the flux from the East were introduced in January 1998 sales at big bazaars in eastern and central Poland declined dramatically. This immediately caused a heavy lobbying of Polish traders and manufacturers who made Polish government reconsider certain regulations (Stola, forthcoming). As a result the costs of tourists' vouchers and a required at the entrance to Poland minimal quota of money were lowered (Iglicka, forthcoming a).

After a decade of penetration of Polish trade and labor markets by petty-traders and seasonal workers one can observe that some of them, and especially those with already established network in Poland, having realized restrictions in West European policy towards mobility from the 'East', consider possibility of long-term or permanent emigration to Poland<sup>7</sup> (Iglicka, forthcoming b). It means that the foreign labor force will get regulated legal status and therefore will probably be visible more frequently on the primary labor market.

There are some ways of channeling the shuttle mobility into immigration. The most visible in official statistics is: application for a permanent residence permit, application for a visa with work permit and a marriage to a Polish citizen.

As it was mentioned before the access to the economic sectors in Poland for foreigners is segmented according to ethnicity. As far as the movement from the East is concerned Eastern European prevail as unskilled manual workers, skilled manual workers and artists. Thus even those with work permits occupy so far mainly the secondary sector of labor market.

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<sup>7</sup> As a result of the understanding reached by the European Union member countries in September 1995, all of the countries of the former Soviet Union (on the contrary to the other non-Soviet former countries of the Communist bloc) were put on the 'visa-rule list'.

**Table 3.** Work permits for foreigners from the Eastern Europe\* according to type of work, 1994 and 1995 (%).

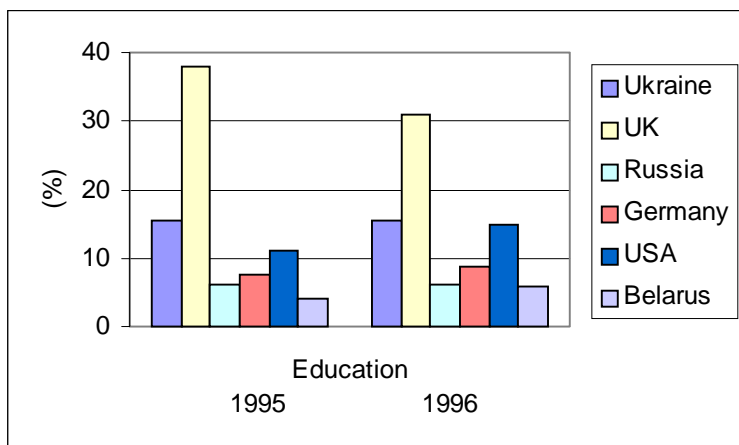
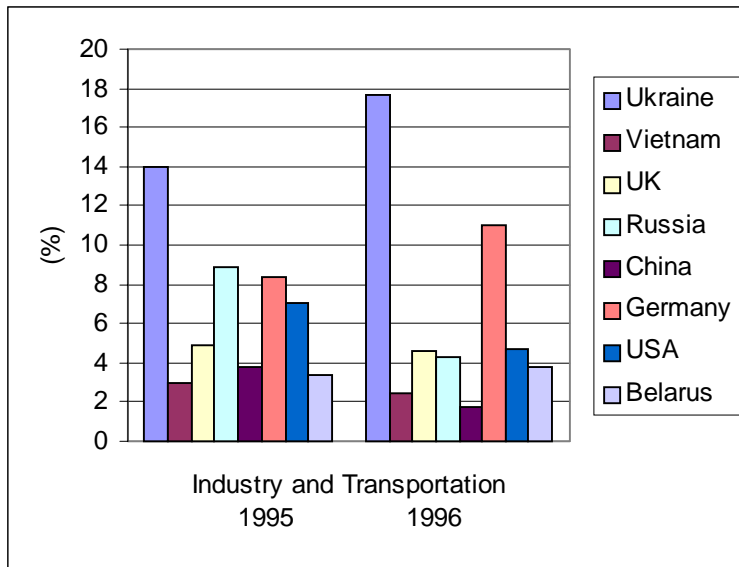
Region	Eastern European Countries		Total	
	1994	1995	1994	1995
<b>All management functions</b>	25.0	18.5	1651	2024
<b>Owners</b>	33.0	36.0	633	643
<b>Experts specialists and consultants</b>	50.5	40.1	792	698
<b>Administrative personnel</b>	51.7	45.0	224	68
<b>Medical professions</b>	89.5	42.4	68	115
<b>Teachers trainers</b>	43.2	56.5	532	580
<b>Artists</b>	98.1	98.5	666	542
<b>Skilled manual workers</b>	95.8	73.3	573	65
<b>Unskilled manual workers</b>	99.8	62.5	1816	43
<b>Others</b>	82.4	88.0	177	170

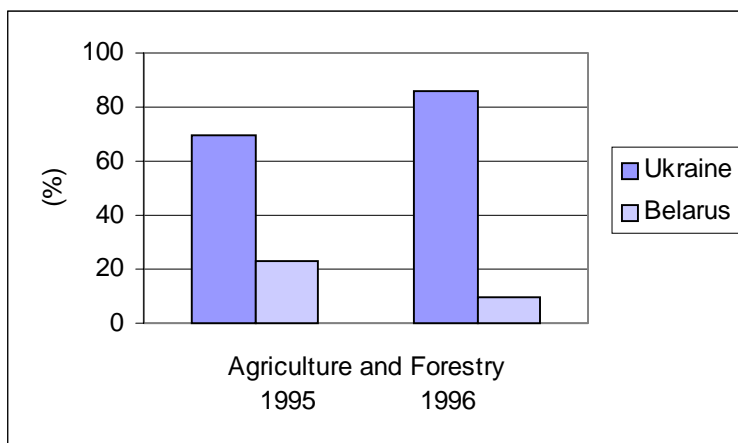
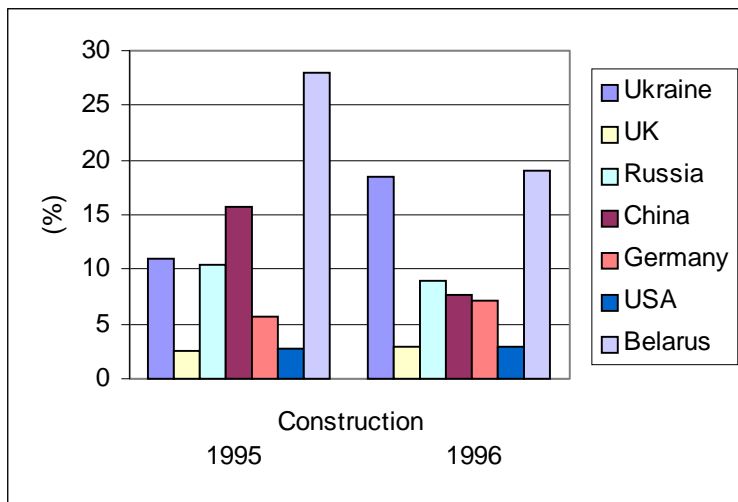
\*former Soviet Union mainly

Source: Sprawozdanie z badania sondazowego zezwolenia na prace udzielane cudzoziemcom przez wojewodzkie urzedy pracy w okresie 1994 i 1995, 1996.

Eastern Europeans were hired mainly in such branches of economic activity as: agriculture and forestry, construction and industry and transportation.

**Fig. 3 Work permits granted individually by branch of economic activity (main countries of origin)**





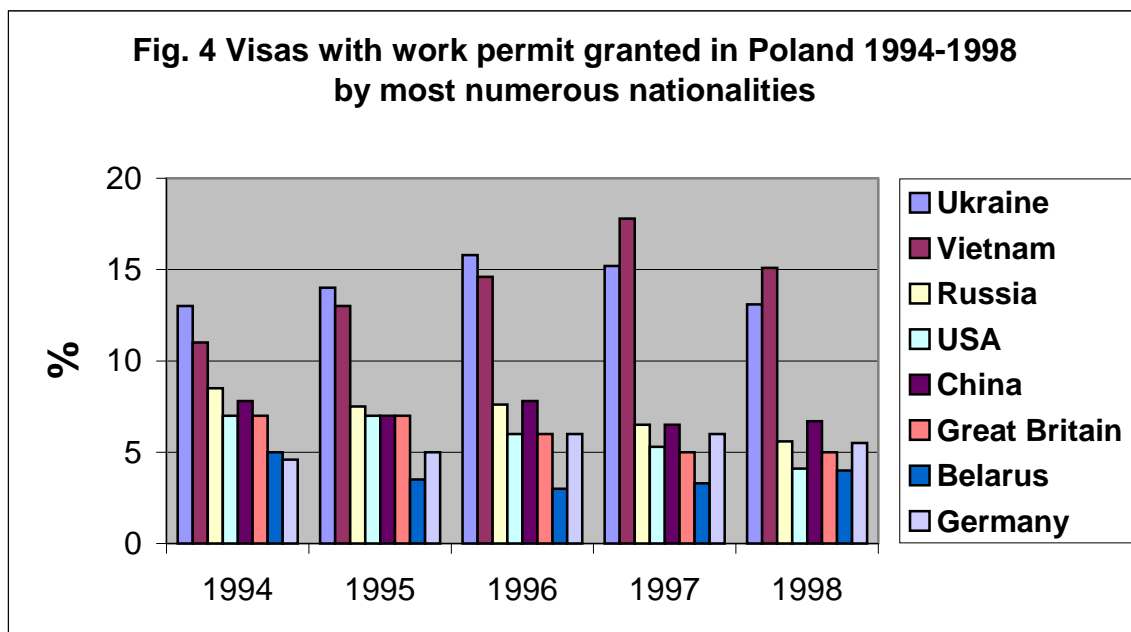
Source: Ministry of Labor and Social Policy

Contrary to the Eastern Europeans other nationalities from the East i.e. Vietnamese and Chinese find an employment not only in the secondary sector but on the primary markets as well. In many cases this is because they hold executive positions in sectors in which they invest, for example restaurants and trading companies. Asian nationals are most often employed by food or by trade companies. The trends visible in table 3 and figure 3 are maintained till to date (mid 1999). Since 1996 South Koreans are visible among those Asians who hold an executive positions in Poland. In contrast to Chinese and Vietnamese, however, they are employees of large companies. This is connected with the huge investments made by big South Koreans concerns such as e.g. Daewoo in Poland.

Official statistical data indicates an increasing tendency of people from the former USSR applying for work permits and permanent residence permit (PRP). As far as visas



with work permit granted from the beginning of 1990s till 1996 Ukrainians were on the first place, since 1996 till today (mid 1999) they are on the second place.



Source: Department for Migration and Refugees

Contrary to Asians and Westerners Ukrainians are hired most often in the state-owned and private firms based on the Polish capital only. The same rule pertains to the other nationalities of the former Soviet Union

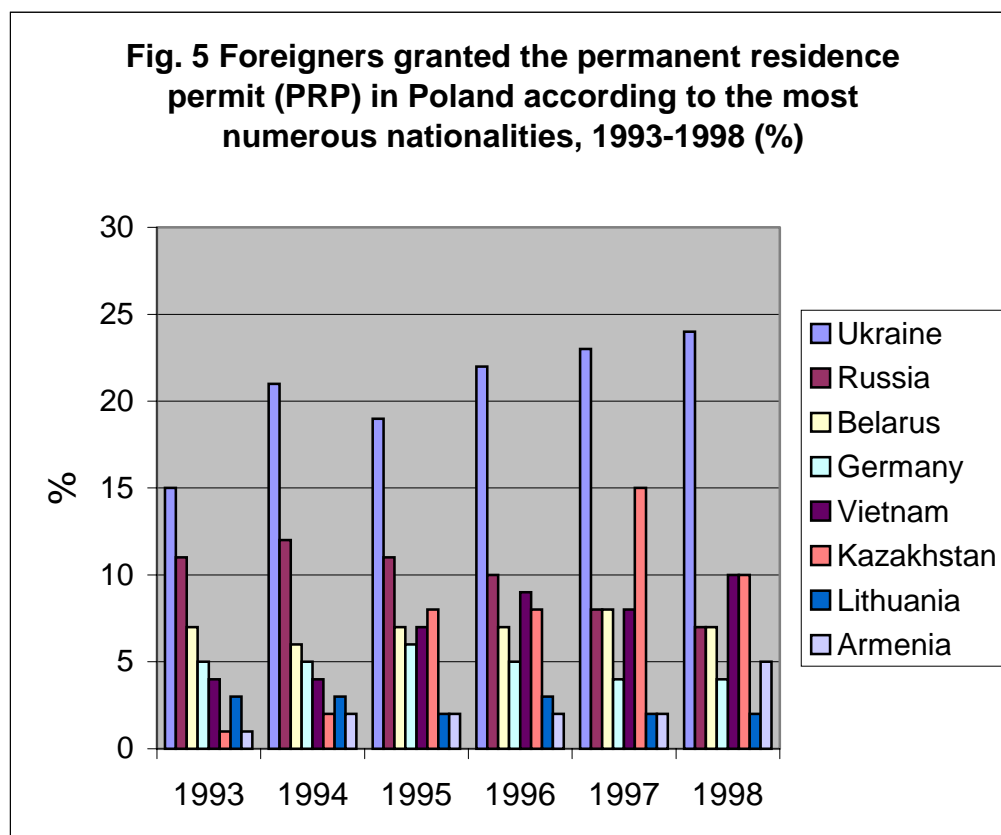
**Table 4.** Work permits granted individually by ownership of enterprise (eight top countries of origin) in 1994 and 1995 (%).

Country	Total	Ownership				
		State	Private Polish	Private foreign	Private mixed	Other
<b>1994</b>						
<b>Total (absolute numbers)</b>	10441	1000	3456	3846	1554	585
<b>Ukraine</b>	17.0	36.6	34.8	1.3	4.7	20.5
<b>Vietnam</b>	10.3	0.6	3.9	22.8	2.6	3.7
<b>United Kingdom</b>	8.5	6.2	9.3	7.4	8.7	13.0
<b>Russia</b>	6.8	11.3	7.6	2.8	11.1	8.2
<b>China</b>	6.5	0.1	1.6	14.4	4.6	0.3
<b>USA</b>	5.5	4.9	3.3	5.8	9.7	6.2
<b>Germany</b>	5.5	7.9	1.4	6.8	10.4	6.5
<b>Belarus</b>	6.4	6.3	14.4	0.8	1.2	10.5
<b>1995</b>						
<b>Total (absolute numbers)</b>	11915	1133	3741	4657	1771	613
<b>Ukraine</b>	18.7	30.4	39.6	3.1	5.2	27.7
<b>Vietnam</b>	10.2	0.5	4.5	21.1	2.9	2.2
<b>United Kingdom</b>	7.9	5.5	2.1	6.8	9.4	6.3
<b>Germany</b>	6.7	9.5	8.1	7.6	11.9	8.2
<b>Russia</b>	6.1	11.1	6.9	2.9	8.1	5.4
<b>China</b>	5.2	0.5	3.6	11.5	2.2	0.3
<b>USA</b>	5.7	7.4	7.6	5.5	7.0	12.7
<b>Belarus</b>	4.3	8.2	9.8	1.0	2.9	6.1

Source: Sprawozdanie z badania sondazowego zezwolenia na prace udzielane cudzoziemcom przez wojewodzkie urzedy pracy w okresie 1994 i 1995, 1996.

If we look at the nationality of foreigners granted the permanent residence permit (PRP) we see that the most numerous nationality is undoubtedly Ukrainian. The result of

the study on spatial distribution of the foreign born population of Ukrainians holding PRP in 1991 show that they were situated in big cities, in ethnically Ukrainian territories and territories where Ukrainians and Lemkos were resettled in 1947<sup>8</sup>.



Source: Department for Migration and Refugees

Thus some links between old diaspora of Ukrainians living in Poland for centuries and new arrivals are visible. Furthermore, a map of territorial distribution of Orthodox and Greek Catholic church covers spatial distribution of 'new' Ukrainians. It proves that network between 'old' and 'new' group plays an important role in the spatial formation of the latter (Jerczynski 1999).

The other interesting phenomenon that links immigration with the presence of foreigners on labor markets is a phenomenon of mixed marriages. Sudden growing trends in number of people (especially women) from the former USSR may suggest that this is

<sup>8</sup> In 1947 Polish security forces unable to destroy Ukrainian national guerilla movement (UPA) operating since 1943 in southeastern Poland dislocated approximately 150,000 Ukrainians and Lemkos from this region Poland (an area which was ethnically Ukrainian) to the northern and western territories (formerly part of Germany). This operation was named *Akcja Wisła*.

the beginning of the process only and that there may be some pressure from this channel on labor markets in the nearest future.

**Table 5.** Mixed marriages; 1990-1996 (selected years).

<b>Foreign wife</b>	<b>1990</b>	<b>1995</b>	<b>1996</b>	<b>Foreign husband</b>	<b>1990</b>	<b>1995</b>	<b>1996</b>
<b>Ukraine</b>	-	331	340	<b>Ukraine</b>	0	89	108
<b>Russia</b>	-	119	151	<b>Russia</b>	-	-	-
<b>Belarus</b>	-	95	104	<b>Belarus</b>	-	-	-
<b>Lithuania</b>	-	41	40	<b>Lithuania</b>			
<b>Armenia</b>	-	27	28	<b>Armenia</b>	0	44	64
<b>Latvia</b>	-	6	10	<b>Latvia</b>	-	-	-
<b>Kazakhstan</b>	-	13	11	<b>Kazakhstan</b>	-	-	-
<b>USSR</b>	255	-	-	<b>USSR</b>	210	0	0
<b>Germany</b>	370	61	63	<b>Germany</b>	1494	748	698
<b>Vietnam</b>	-	15	42	<b>Vietnam</b>	0	44	64
<b>USA</b>	88	46	33	<b>USA</b>	263	185	138
<b>United Kingdom</b>	14	-	-	<b>United Kingdom</b>	44	-	-
<b>Canada</b>	-	17	15	<b>Canada</b>	0	46	43
<b>Others</b>	184	149	140	<b>Others*</b>	1318	1164	1062
<b>Total</b>	<b>911</b>	<b>920</b>	<b>977</b>	<b>Total</b>	<b>3329</b>	<b>2320</b>	<b>2177</b>

\*Mainly western European countries

Source: Statistical Yearbooks, various years.

As it was already mentioned from the beginning of 1960s until the beginning of 1990s the immigration flows to Poland were statistically not significant. However, one of the existing and quite visible inflows was movement of students from Vietnam – who arrived in Poland under a government’s sponsored program of ‘socialist co-operation’ or academic exchange. After graduation majority of them returned to home country where having a European diploma they placed high positions in social hierarchy.

After 1989 irrespective of being still communist country Vietnam started to pursue more liberal migration policy that caused inflows to Poland, not only students

(mostly from privileged families), but people who were looking for place to work and to live.

Since the end of 1993, the number of Vietnamese citizens applying for work-permit visas has seen a sharp increase, and has resulted in rise in the number of Vietnamese legally coming to Poland. Until 1996 Vietnamese were the second largest group (after Ukrainians) as far as the number of visas with work permit granted (see figure 4). Since 1997 they are on the first place. Moreover, the growing presence of Vietnamese was also due to an illegal flow. Some of these illegals attempted to legalize their stay through an application for permanent residence permit or through marriage with Polish residence. At the end of 1996, the Vietnamese were the third largest group of immigrants receiving residence permits. Since numbers concerning flows from Kazakhstan pertain in fact to the process of repatriation of ethnic Poles and their family members, in 1997 among 'real' foreigners granted PRP Vietnamese were on the second place and this tendency was maintained till 1998 (see table 5). According to estimates there are around 30.000 Vietnamese living in Poland (Halik, forthcoming).

Vietnamese carry on a lively economic activity and not only in the field of small trade and gastronomy. The Association of Vietnamese Businessmen in Warsaw has been legally registered. Vietnamese trade firms and enterprises are present in more than half of the voivodeships of the country.

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Contrary to what was expected by politicians or journalists at the beginning of 1990s it seems that there are more positive than negative aspects of the influx from the East. Foreigners applying for a permanent residence permit in Poland and, as we know people from the East prevail here, are quite highly educated. Each year the majority of the newly granted PRP had either a secondary education (41 per cent) or university education (31.7 per cent). The percentage of persons with only a primary education or with a (non-secondary) vocational education oscillated around 11 per cent only (Glabicka and Sakson 1997).

Foreigners arriving to Poland as a part of visa-free shuttle mobility fostered Polish economy growth and those arriving with work-permits have filled some gaps in and demand of Polish labor markets during the transition period.

#### **4. Migration from the West**

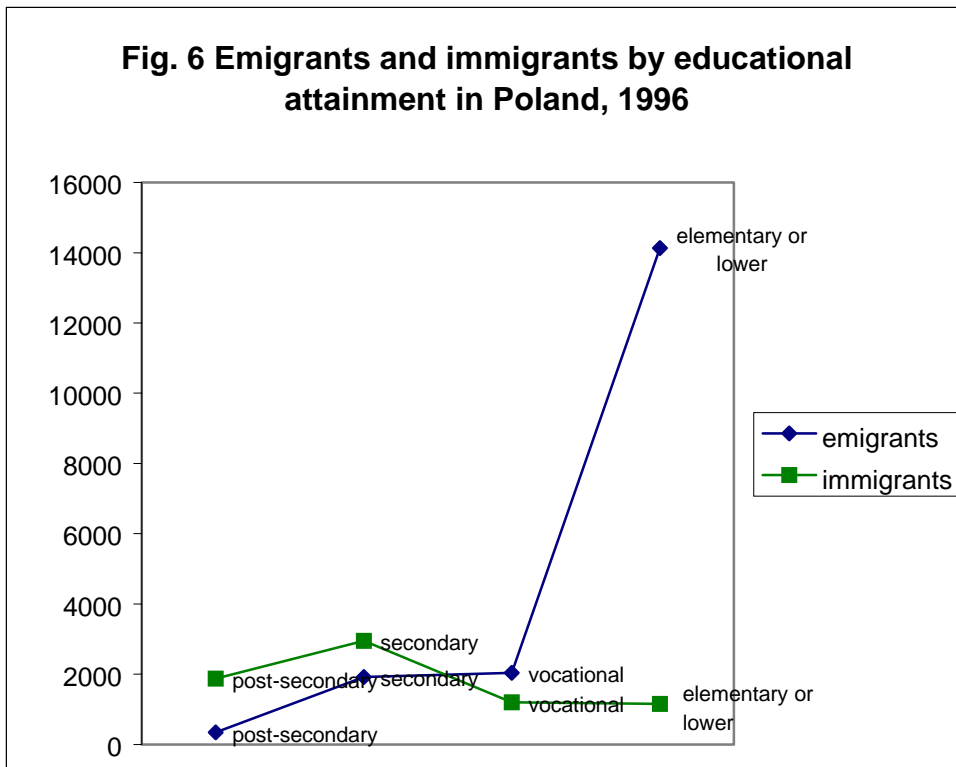
During the past ten years the movement from the East to Poland has been carefully studied in many research projects (Morokvasic and de Tinguy 1993; Iglicka and Sword 1999; Stola and Wallace, forthcoming) whereas the mobility on the West-East axis is almost totally neglected by researchers. Additionally to that statistical data on the phenomenon of return migration and mobility from the West are incomplete. Therefore this part is based exclusively on the findings from the only survey conducted by German researchers from the Wissenschaftszentrums Berlin für Sozialforschung in 1995 on managerial migration from the West into Poland<sup>9</sup>.

At the beginning of this part it is important to note that the influx from the West can not be compared with that from the East in statistical terms. The numbers are simply much lower. However, the inflow from the West had a big qualitative impact on the recent changes in Polish economy generally and on labor markets particularly.

The basic finding that stems in this study is that contrary to the movement from the East mobility from the West pertains only to the primary labor markets and moreover it is a highly institutionalized phenomenon. The transfer of skills and knowledge from the West accompanies transformation of Polish economy. This process takes a shape of human mobility on the West-East axis. The mobility from the West is one of the factors behind the phenomenon of the 'reverse brain-drain' visible since 1994 in migratory trends in Poland.

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<sup>9</sup> Project was conducted in co-operation with the Center for Migration Research, Warsaw University. During this study semi-structured interviews were conducted with high-level managers in some 50 multinational companies/joint ventures, as well as interviews with experts, managers and professionals (for details see: Rudolph and Hillman 1998).



Source: Okolski 1998.

This not only manifests itself in the fact that the percentage of immigrants with the high standard of education is much higher than the percentage of emigrants but also because more immigrants than emigrants occupy managerial or professional posts at the time of registration (Okolski 1995; Iglicka, forthcoming b).

Table 6 shows that Western Europeans and Americans held majority of managerial functions and were employed more frequently as experts, specialists and consultants.

**Table 6.** Work permits for foreigners from the Western Europe and the US according to type of work, 1994 and 1995 (%).

Region	Western European Countries and USA		Total	
	1994	1995	1994	1995
<b>All management functions</b>	75.0	81.5	1651	2024
<b>Owners</b>	67.0	64.0	633	643
<b>Experts specialists and consultants</b>	49.5	59.9	792	698
<b>Administrative personnel</b>	48.3	55.0	224	68
<b>Medical professions</b>	10.5	57.6	68	115
<b>Teachers trainers</b>	56.8	43.5	532	580
<b>Artists</b>	1.5	2.5	666	542
<b>Skilled manual workers</b>	4.2	26.7	573	65
<b>Unskilled manual workers</b>	0.2	37.5	1816	43
<b>Others</b>	16.6	12.0	177	170

Source: Sprawozdanie z badania sondazowego zezwolenia na prace udzielane cudzoziemcom przez wojewodzkie urzedy pracy w okresie 1994 i 1995, 1996.

They found an employment mainly in such economic branches as industry and transportation, education and to some extent in construction (see figure 3). They were granted work permits in all kinds of ownership of enterprise however, less frequently they were hired in firms based on the Polish capital only (see table 4).



They found their place in the primary labor market in Poland through three channels - institutions: political organizations, multinational companies and joint ventures and, through the network of freelance professionals (Rudolph and Hillman 1998).

Among international and national organizations hiring foreign experts one should mention Poland and Hungary Action for Reconstructing the Economy (PHARE), and the Centrum für Internationale Migration und Entwicklung (CIM) (the German public recruitment agency for highly skilled manpower).

PHARE has been oriented on many fields, among them education and technical assistance for privatization process, economic and regional restructuring, development of human resources, and infrastructure development, to mention only just the most important. During the first half of 1990s Poland received a quarter of the total investment made under the PHARE program (Rudolph and Hillman 1998). Within the framework of this program a substantial (but impossible to estimate) a number of Western experts occurred in Poland (Salt 1989).

As far as the experts and consultants hiring by CIM are concerned the German government provides the funds for topping up their salaries. Since the beginning of transition Poland has been the major recipient of CIM activities. Experts hired by CIM work mainly in organizations which target at the promotion of the privatization process such as the Polish bank for development, the bank for export promotion and the agency for regional development (which supports in particular small and medium sized enterprises) (Rudolph and Hillman 1998).

As far as the second channel of West-East migration is concerned i.e. multinational companies and joint ventures they are of particular significance in shaping the flow of highly skilled professionals in Poland. 'Very few of the multinational companies act without expatriates and sometimes the trend to substitute them is only declared' (Rudolph and Hillman 1998: 71).

However, at the beginning of the transformation what also means at the beginning of the existence of such companies in Poland there were not enough Poles who could be able to work on the lower levels of the management positions (according to Western standards) or run certain specific departments like marketing, public relations. Such departments did not exist in the socialist economy and domestic highly skilled labor force was not skilled enough for this. Therefore the strategy of multinationals was to train

Polish personnel in order to substitute the foreign managers and experts as quickly as possible<sup>10</sup>.

It is also interesting to know who were these foreign experts. First of all they were expatriates. Secondly there were also people who have the same position as the expatriates but did not benefit from the 'expat-package' (such package includes many incentives among them e.g. free flights home, subsidies for an apartment rent, etc.). This category is called 'hybrid'. 'Hybrids' have usually a weaker bargaining power on the market at the time of recruitment because, for example, they are already in the country. Thirdly they were also Polish return migrants, usually children of the emigrants of the Solidarity and the martial law period (first half of 1980s) (Rudolph and Hillman 1998).

As far as the basic socio-demographic characteristics of this group are concerned they were in majority men, relatively young (most often between 30 and 39 years of age), and highly educated. 'They come from different background, but all of them are engaged in white-collar professions' (Rudolph and Hillman 1998: 73).

As far as the third channel of mobility on the West-East axis is concerned i.e. freelance foreign; experts consultants and teachers in this group prevail significantly. The demand for native English speakers at the beginning of transition was very high, not only because the English language is a language of international communication but also because until 1989 it was the Russian language that was though as a first foreign language in Poland. Therefore there was a huge demand for English language teachers who could quickly fit-in into the changes in the educational system. As a result, ten years after the collapse of the system the English language is introduced as a first foreign language in the kindergartens (also it is not obligatory at that level), and in the majority of grammar and high schools all over the country.

According to the Polish Ministry of Labor statistics the majority of the total work permits issued to UK nationals were for training and teaching purposes (see figure 3). 'There is an empirical evidence however, that these flows of 'native speakers' are driven not only by the demand in Poland, but also due to the effects of the current recession in Britain' (Rudolph and Hillman 1998: 76).

It is difficult to predict the future of the highly skilled flows from the West into Central Europe. However, the nature and character of this movement and also to some extent some very recent trends in statistics incline me to the conclusion that this kind of

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<sup>10</sup> In the mentioned here study the average stay of foreign managers and experts was about two to three years.

mobility will decrease gradually. Some part of the managerial migration will be replaced by short-term inspection visits, some other by more sophisticated telecommunication. Finally Polish managers (already trained by Western colleagues) may travel for instructions or to report activities to the West as well.

## 5. Conclusions

The geography of migratory flows into Poland during the transition period pertains to the structure of the global division of labor. No wonder thus, that at the beginning of economic transformation highly skilled flows from the 'West' and Asia and only a small part of the flow from the 'East' find an employment on the primary labor market. Majority of the mobility from the 'East' characterized mainly by unskilled or skilled manual workers flows finds an employment (legal or illegal) on the secondary labor market.

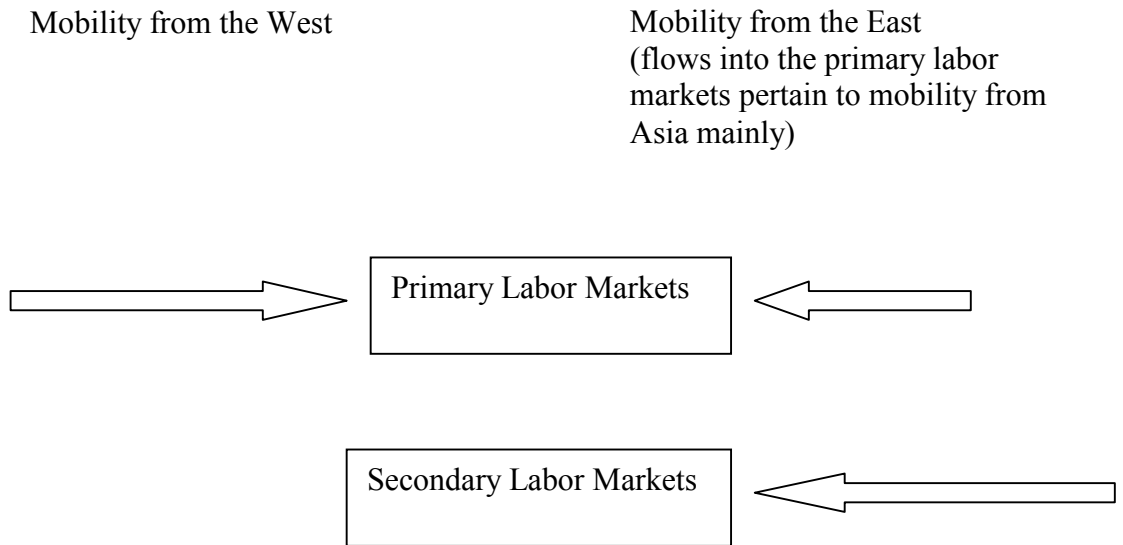
Flows into the primary labor market are highly institutionalized. Immigrants have a regulated legal status and are used to supplement domestic labor force here, whereas flows from the East reflect rather the dynamic process of migration that transforms temporary entries into settlement. I assume however, that in the future it is just immigrants from the East (both from the former Soviet Union and Asia) who would play an important role on both primary and secondary labor markets in Poland. Movement of experts and consultants from the West will diminish steeply and will be based more often on on/off basis than regular stay.

Since the migratory potential lies on the East the process of globalization of migration will inevitable increase the flows from the East into Central European countries. In fact this process has already begun. Therefore one may presume that the below quotation will come to be very true in case of mobility from the East into Polish labor markets in the nearest future.

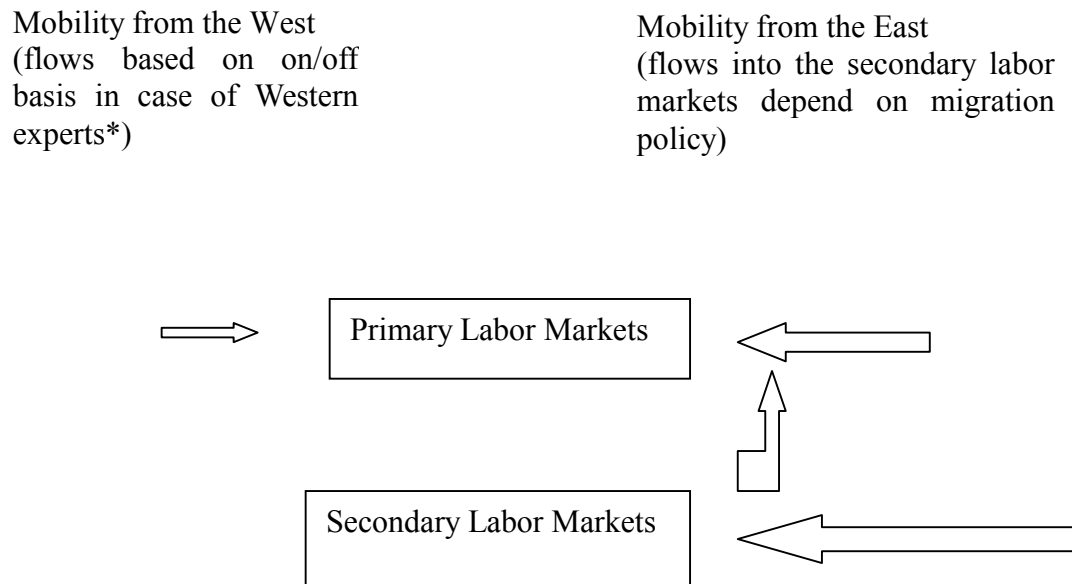
'When immigration stream begins, it displays a strong tendency to continue because of the growth and elaboration of migrant networks. The concentration of immigrants in certain destination areas creates a 'family and friends' effect that channels later streams of immigrants to the same places and facilitates their arrival and integration. If enough migrants arrive under favorable conditions, an enclave economy may form, which further arguments the specialized demand for immigrant workers' (Massey 1999: 306)

The future of the migration flows depends on the stability of the central and eastern European economies, social and political changes in the countries of the former Soviet Union but all above it depends on the Polish (European Union) migration policy. Brussels and Berlin have already made it clear that strengthening control on Poland's eastern border – the future border of the Union – should be a priority task in Polish preparations for the accession (Stola, forthcoming). On the other hand one should not forget that the process of globalization of market economy brings dualization of central European labor markets thereby increasing the mobility of people and circulation of capital and goods. A case of German, French, Dutch, and other western economies of the 1970s happens now in CEE region. Although the western European labor market is becoming increasingly constrained by restrictive immigration policies one should not forget that central European labor markets would need foreign labor. Positive aspects of the presence of immigrants' communes in Poland are their fundamental socio-demographic traits. The young age of migrants as well as their possession of trade skills or occupation mean that there is a great potential the local labor markets should take advantage of.

**Fig. 7a The Role of Foreigners on Labor Markets in Poland at the Beginning of Transformation**



**Fig. 7b The Role of Foreigners on Labor Markets in Poland – Possible Future Scenario**



\*return migration not considered here

New and exotic for this part of Europe diasporas of foreigners as Vietnamese or Chinese are rapidly formatting. In the future they might create 'global tribes', with their own ethnic and cultural identity which will not disappear despite the spatial distance from their homelands. These tribes are groups which, are based on classical cosmopolitanism. Their arrival in various spots on the globe has resulted in the advancement of new technologies, industry and culture (Kotkin 1993). Their departure has always resulted in the withering of these spheres. Their arrival has been the harbinger of technological, economic and intellectual advancement and has contributed to the development of the global market place.

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