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Substitution of Internal Migration with International Migration as an Adjustment to Economic Shocks in Poland

1 Changes on the labour market in Poland 1989-2004 in a nutshell

The fall of communism and the introduction of free market economy resulted in a fundamental change of the way labour market worked in Poland. Under the communist type planned economy unemployment did not exist for ideological reasons. Surplus labour was employed in state administration or state controlled enterprises, which did not consider the cost of operation as an important factor. Rural areas absorbed part of surplus labour through hidden unemployment in subsistence farming. This surplus hampered economic development of the country (Okólski, forthcoming).

Introduction of the competition between companies and cutting state subsidies resulted in the rapid change on the labour market: companies started to get rid of unnecessary and inefficient employees, resulting in the increase of the registered unemployment rate to 6.5% in 1990 and 12.2% in 1991. This effect was much stronger than ever expected and long lasting: the unemployment rate has not dropped below 10% since 1991.

The measures to improve the economic effectiveness implemented by companies were not the only reason to the high level of unemployment. The post-1989 break down of traditional production and cooperation links as well as lost of sales markets in the former soviet block

coupled with gradual opening of Polish economy lead to the worsening of the situation of many companies and, in consequence, the reduction in the demand for labour. At the turn of centuries sluggish economy (1% GDP growth in 2001) contributed to the growth of unemployment. The number of employed fluctuated over time, but between 1998 and 2002 it dropped by 1.7 mln (CSO, various years). In the recent years GDP has been growing and is forecasted to reach 5.8% in 2004 (Eurostat 2004), but the unemployment has stood since 2002 on the level above 19%. This lack of relationship between the increase in GDP and the level of unemployment may be attributed to such institutional phenomena, as high costs of employment of new staff, high costs of getting rid of unwanted employees and very complex and unclear legislation, including tax legislation, which hampers development of self employment and small companies.

The level of unemployment has been augmented by a simple demographic mechanism: in the late 1990s and early 2000s large cohorts of the echo of post-war baby boomers from early 1980s started to enter the labour market, mostly finding that there are no jobs there. The unemployment rate in this age group reaches recently almost 40%.

Góra (1996) noted that the unemployment to vacancy ratio increased in 1990 by a factor of 200, changing the economy from the labour demand dominated to the vacancy demand dominated.

2 Adjustment of migration patterns in Poland to the changes on the labour market

2.1 Links between migration and labour markets: Economic theories of migration

Migration is a very complex and interdisciplinary phenomenon. As a result there is abundance of theories which have been built on ground of various disciplines and mostly explaining only a small part of the phenomenon. We will briefly outline the economic theories which pertain to the relationship between labour market and migration to allow for putting the further discussion of the developments of various types of migration and mobility into a theoretical perspective.

According to the neoclassical macroeconomic theory of migration (Lewis 1954; Harris, Todaro 1970; Todaro 1976), migrants move from low income regions to the high income ones. Hence, the migration itself is perceived exclusively as a labour markets equilibration mechanism. Areas affected by migration could be classified into those being rich in capital, but short of labour force, and those being rich in labour force, but short of capital. The latter ones are characterised by low salaries level, whereas the former ones – by high salaries level. Migrants move from areas of low salaries level to those of high salaries level, whilst the capital flow is of the opposite direction. If the salaries levels between emigration and immigration areas got in balance, the migration between those areas would disappear. Hence, it becomes apparent the return migration fails to be explained on the basis of this theory. It also fails to explain why only some, not the entire labour force migrate.

The neo-classical microeconomic theory advocates that the migrants assess the individualised costs and gains associated with migration (Sjaastad 1962; Todaro 1976). At the microeconomic level, migration constitutes a form of an investment, rewarded with a difference in income earned in the source and in the destination. Migrants aim at maximising their incomes which means maximisation of income on capital invested in migration. Factors, such as: unemployment level, migration costs, additional qualifications gained have to be included in migrants' calculations. Apart from that, illegal migrants should take into account a risk of possible deportation. Quantification and calibration of such theoretical approach faces numerous problems which mainly involve necessity to quantify concerned variables as well as to disregard many factors not covered by the theory, such as: restrictive admission polices applied by destination countries, individual and family preferences of migrants and/or costs of integration in a new country.

The two theories discussed above have been derived from the assumption according to which migrants' intention is to maximise their incomes. The so called new economic theory of migration (Stark and Bloom 1985; Stark 1991) offers another approach. The authors state that migrating units or the ones just taking a decision on migration are not individuals but entire households (families) which try to limit a risk of losing revenues by diversifying labour markets, where the households' members run their activities and gain a capital that would let a given household (family) obtain some economic security for the future. Hence, it becomes apparent that migration functions as some form of insurance. This theory makes it possible to

explain why migration is continued even if levels of salaries at origin and destination are similar. O. Stark and E. J. Taylor (1989) have even taken a step forward saying that migration decisions are influenced by differences in revenues of migrating and non-migrating families. The former families try to gain economic advantage over the latter ones. Stark and Taylor (1989) introduced also psychological aspects of migration into the picture, arguing that households care also about their relative position in the local community, the migration may occur to reduce relative deprivation of a household, not only to increase its income.

The last theory which focuses on migration and labour demand and supply on various labour markets, to be sketched briefly here, is called the dual labour market theory (Piore 1979). According to it migration is driven by the demand for labour as well as by recruitment practices functioning in destination regions rather than by differences in salary levels observed between the origin and the destination. Hence, the key role is played by pull factors, not by the push ones. Local inhabitants move from low income, poor social status, low productivity and instability jobs to higher income, higher social status, higher productivity and stability jobs, thus leaving the less attractive jobs to migrants. This, in turn, leads to a highly advanced labour market segmentation. As the salary level reflects not only the economic value of work but also employee's social status, its modification, to make the job attractive for the local labour, would have to entail chain changes in salaries payable for other jobs. On the other hand these low-paid, dirty jobs, with no prospects for further promotions, which are reserved for the poorest foreigners who accept them with no reservations, as a low salary in the country of destination can be even several times higher than the average salary payable in the country of origin (Zlotnik 1998).

Some of the theories outlined above were formulated with respect to internal migration, some with respect to international migration. However, they in all cases physical crossing of national boundaries does not constitute an integral part of any of these theories. Therefore they all may be applicable directly to both internal and international migration.

2.2 The issue of data quality – a brief warning

Before we discuss the migration patterns, it should be noted that the official statistics on both internal and international migration is far from satisfactory for two reasons: inadequate definitions and underregistration. There is no place here to discuss the intricacies of migration statistics here, there will be enough to note that part of migration, especially those of young people, that is predominantly from rural to urban areas and from small towns to cities are not registered by official statistics as the migrants fail to register their migration. As the further analysis is based on official statistical data, one should keep in mind at all times that they should be taken with certain scepticism.

2.3 Internal migration adjustment

If we look at the volume of internal migration in Poland over the period 1946 – 2003 (Figure 1), we will clearly see a steady reduction of the number of migration, from 2.3 million in 1946, what was a result of massive post-war relocation of population, to above a million of migration a year in 1950s and between a million and a half of a million over the period 1963 – 2001. The minimum number of migration per year was reached in 2001 at 369 thousand. This represents a reduction by around 2/5 between late 1980s and late 1990s. The main reason for this reduction was the change of economic and political mechanisms inducing migration.

In the 1950s and 1960s migration was fuelled by the post-war reconstruction effort of the nation as well as ideology-driven forced industrialisation. Very good examples of such migration waves may be the flow to Nowa Huta induced by the construction of steel work at the end of 1940s, to Solina in 1960s to construct a dam on San river or in 1970s inflow of workers to construct Katowice steel work. These were centrally planned investments, where the investor was not concerned with their economic viability. The important source of manpower for the construction sites of, as they were called “large investments of socialism” were rural populations. This is quite clear when we look at the rural net migration loss, which until 1991, with very few exceptions, oscillated between 100 and 200 thousand a year. However in the second half of 1970s, in the period of accelerated industrial development of Poland in the so called Gierek era, it exceeded 200 thousand a year (Figure 1) with the maximum of 251 thousand in 1975. The investment of this period were credited by Japanese, West European and American governments and banks, which completely misjudged their effectiveness.

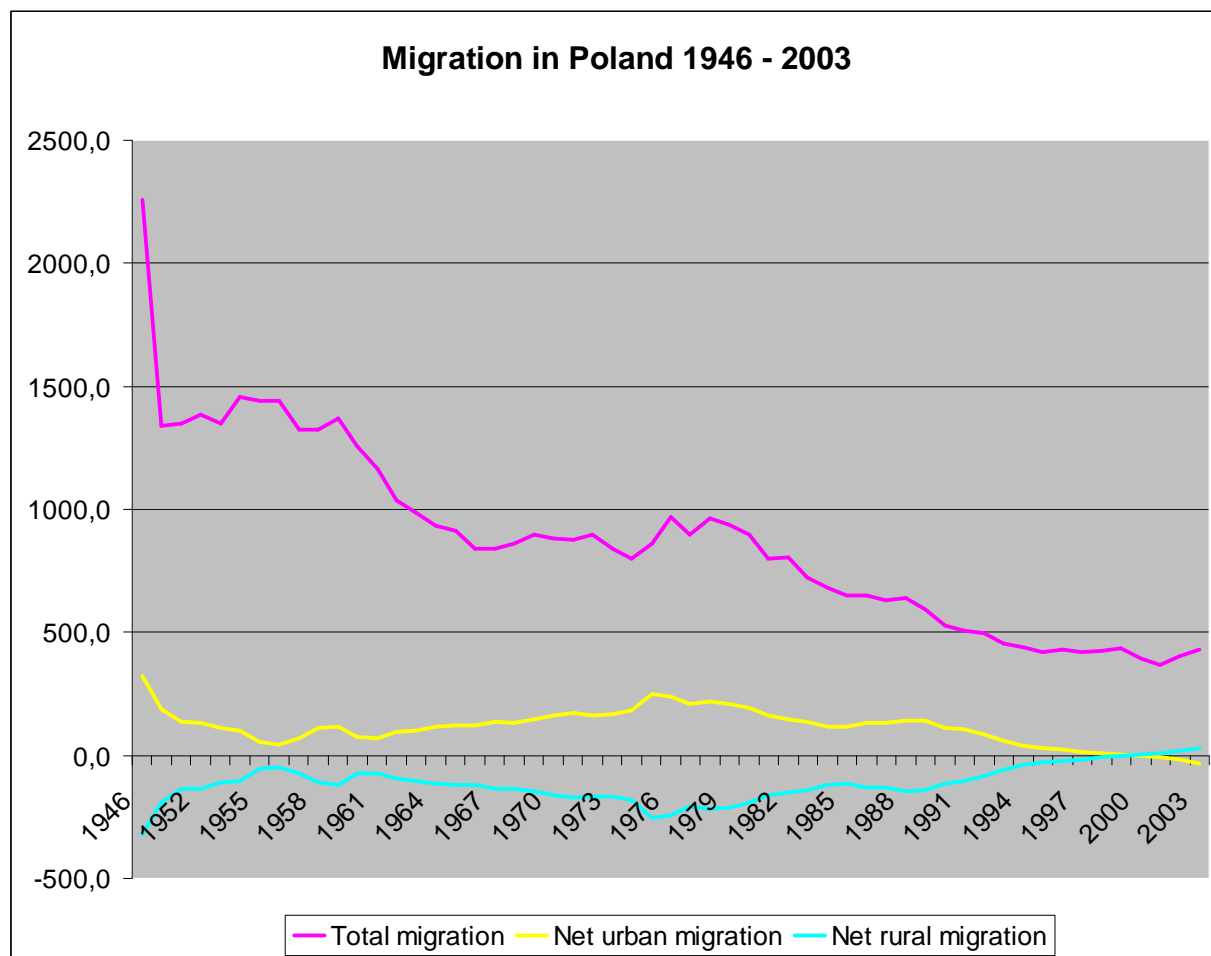
Research into migration in 1970s and 1980s recognized (Stasiak et. al. 1987, Eberhardt 1989, Gawryszewski 1989), that apart economic incentives the most important reason for migration from rural areas was the poor economic situation of these areas and disastrous lack of infrastructure of any type. Haman (1982:40) has given a concise description of it: “Only 13% of rural houses have current water, one out of three families have to transport the water from outside of theirs' farm yard. 40% of rural housing stock is dilapidating and should not be inhabited. Almost 40% of rural population lives below subsistence level (as compared with 10% of urban population). High standard of living has been achieved by 12% of rural households. Some information on social infrastructure of the rural areas: There are there 5% of total number of physician, 14% of dentists, 5.5% of nurses and slightly above 5.5% of midwives whereas the rural population accounts for 42% of total population. Average working time of a rural woman has been estimated to be 13 hours/day in the thirties, 14 in the sixties and now 15-18 hours, depending on the size of a farm, type of production and family status.”¹. This account ten years later has not improved significantly: in 1988 Grzybczak et.al. noted:”...only 7.2% of housing stocks is equipped with bathrooms, 21% with WC, 31% is supplied with gas, only in one out of three wells water is drinkable, 13% of villages does not have telephones at all...”². Casual relations between the quality of infrastructure and emigration has been confirmed in the study by Frenkel and Rosner (1986). Migration brought slight improvement of financial situation of the family of a migrant, as tables 1.12 and 1.13 in Szemberg (1990) show. Witkowski (1990) added to this list such factors as unattractiveness of job, inadequate agricultural policy of the state, poor accessibility to recreational and cultural amenities. Sociologists pointed at the fact that a profession of a farmer was not highly respected and as a result such motivations as change of profession, increase of personal prestige or civilisation advancement play important role in migration decision making (Mirowski 1985).

The economic collapse of many investments of Gierek's period resulted in an economic crisis of late 1970s and 1980s and a consequent slow reduction in the volume of migration in Poland and reduction in net rural loss. In early 1980s the rural to urban migration have been reducing to drop below 100 thousand in 1991 and turned to rural gains as from 2000. In 2003 rural areas gained net 30 thousand migrants from urban areas.

¹Translation by M Kupiszewski.

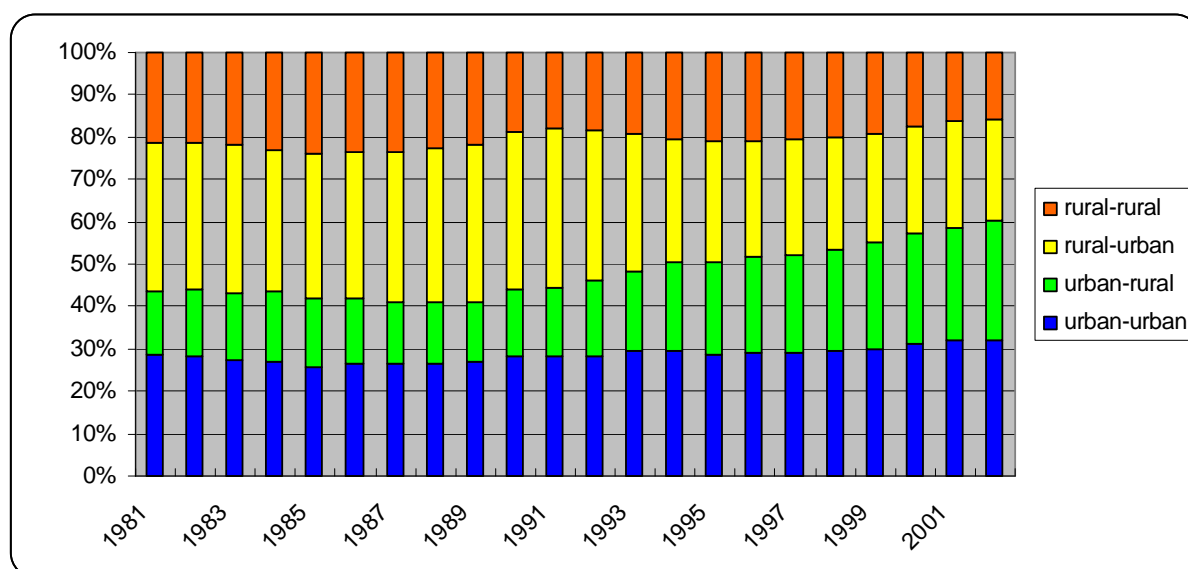
²Translation by M Kupiszewski.

Figure 1: Internal migration in Poland 1946 - 2003



Source: Central Statistical Office.

Figure 2: Internal migration in Poland by main directions 1981 – 2002 (%)



Source: Central Statistical Office.

These very significant changes were caused directly by the political and socio-economic changes of the transition period. Substantial reduction of state subsidies after 1989 rapidly reduced incentives for employer subsidised rural to urban migration. Cost controlling measures introduced by companies resulted in closing down subsidised hostel type housing for unskilled labour what, in turn, made the work for this category of workers uneconomic: the cost of renting an accommodation was so high that it was comparable with the wages earned. That was a strong disincentive to migrate.

In 1990s there were two parallel processes going on: the first one was the increasing difference between the salaries of highly skilled and unskilled labour meaning that the returns on the investment in education become more and more attractive. The other was the increase of the prices of accommodation. These two factors combined together, resulted in the increase of the cost of a permanent migration from rural to urban areas, making the expected increase in salaries in the destination not compensating for the increased costs of living.

Purely economic factors were not the only ones which reduced the rural to urban migration. With the maturing of the economy the gap in the educational requirements of the one hand and low educational level of rural population on the other hand made it increasingly difficult for rural dwellers to find the job in urban areas. The very fast development of private tertiary education institutions, often located in the capital cities of counties (*powiat*) or in old capitals of regions from the 1975 administrative reform, has solved the problem only partially, as these institutions have offered affordable education, but its quality was not very high. This was aggravated by the mentality of risk aversion in rural populations.

We may look at the changes in internal migration through the analysis of the change in the proportion of flows in four main directions: rural-urban, rural-rural, urban-rural and urban-urban (Figure 2).

In 1989 35% of all migrations were from rural to urban areas. The reverse flows accounted for only 15%. The diminishing role of rural to urban flows in the Polish migration system were accompanied by the increased role of urban to rural migration and urban to urban migration. As a result in 2002 28% of all flows were urban to rural, whereas the flows in the opposite direction stood at 24%. Such profound change in the structure of migration was partly due to returns of migrants from rural to urban areas, who migrated in the period of forced

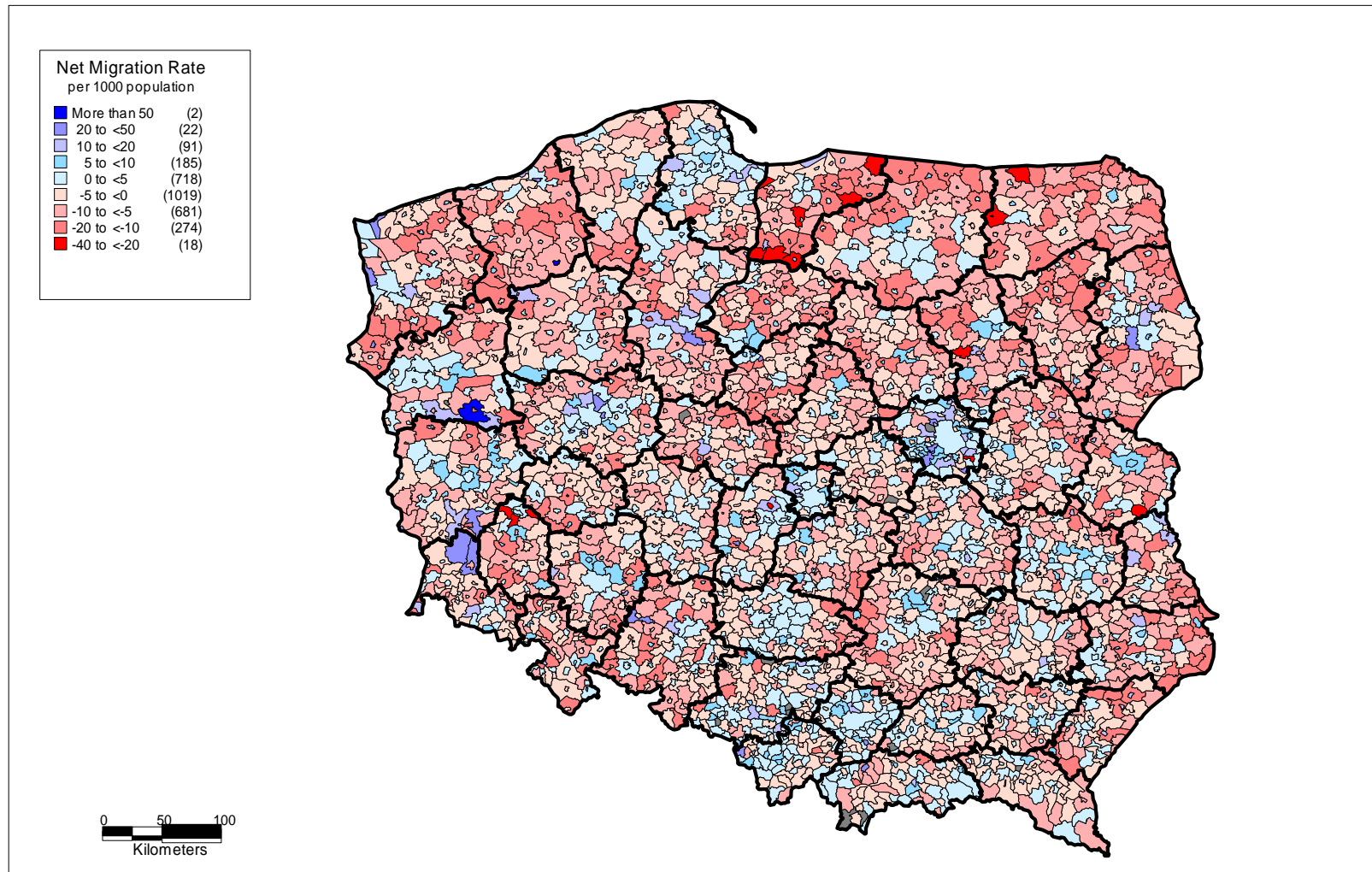
industrialization and retired in 1990s as well as returns of migrants, who migrated recently and who failed economically in urban areas. However, probably the most important factor is the process of suburbanization, which lead to substantial emigration from cores or urban agglomerations, to suburban surroundings which are often classified as rural. The dynamics of this process is discussed later on.

The last two decades witnessed also the marked decrease in the role of rural to rural migration, which dropped from 24% in 1985, when it reached the maximum in this period, to 16% in 2002. It may be partially attributed to the reduction in the number of marriages, which has been an important reason for rural to rural migration, from 267 thousand in 1985 to 195 thousand in 2003. At the same time the share of urban to urban migration 29% in 1981 to 32% in 2002, becoming the most important direction of flows. In short in 1990 almost 60% of flows originated from rural areas, in 2002 less than 40% (Figure 2).

The characteristics of migration presented above was of a very general nature, as it concerned much aggregated flows. It would be much more beneficial to look at the change of net migration pattern by communes, small spatial units. The interpretation of the net internal migration poses a lot of problems. For example positive net migration may be due to inflow of skilled and unskilled labour attracted by an investment project or due to inflow of affluent elderly attracted by mild climate and good amenities. The net migration resulted from both processes may be similar but their economic and social meaning very different. Keeping these problems in mind we will look at the changing patterns of migration gains and losses that are shown on Figures 3 and 4 in 1994 and 2002 respectively.

In 1994 one third of communes and towns in Poland suffered migration losses below five persons per thousand population. Another third suffered from losses larger than that and the remaining communes gained population. Negative net migration dominated rural Poland. This was a pattern prevailing everywhere except Kaszuby and rural communes surrounding urban agglomerations. In the latter case the classifications of these communes as rural is often disputable: many of them serve as areas of outmigration from core cities and enjoy the infrastructure and functionality of smaller towns and professional structure of inhabitants typical for urban agglomerations.

Figure 3: Net migration by communes, 1994

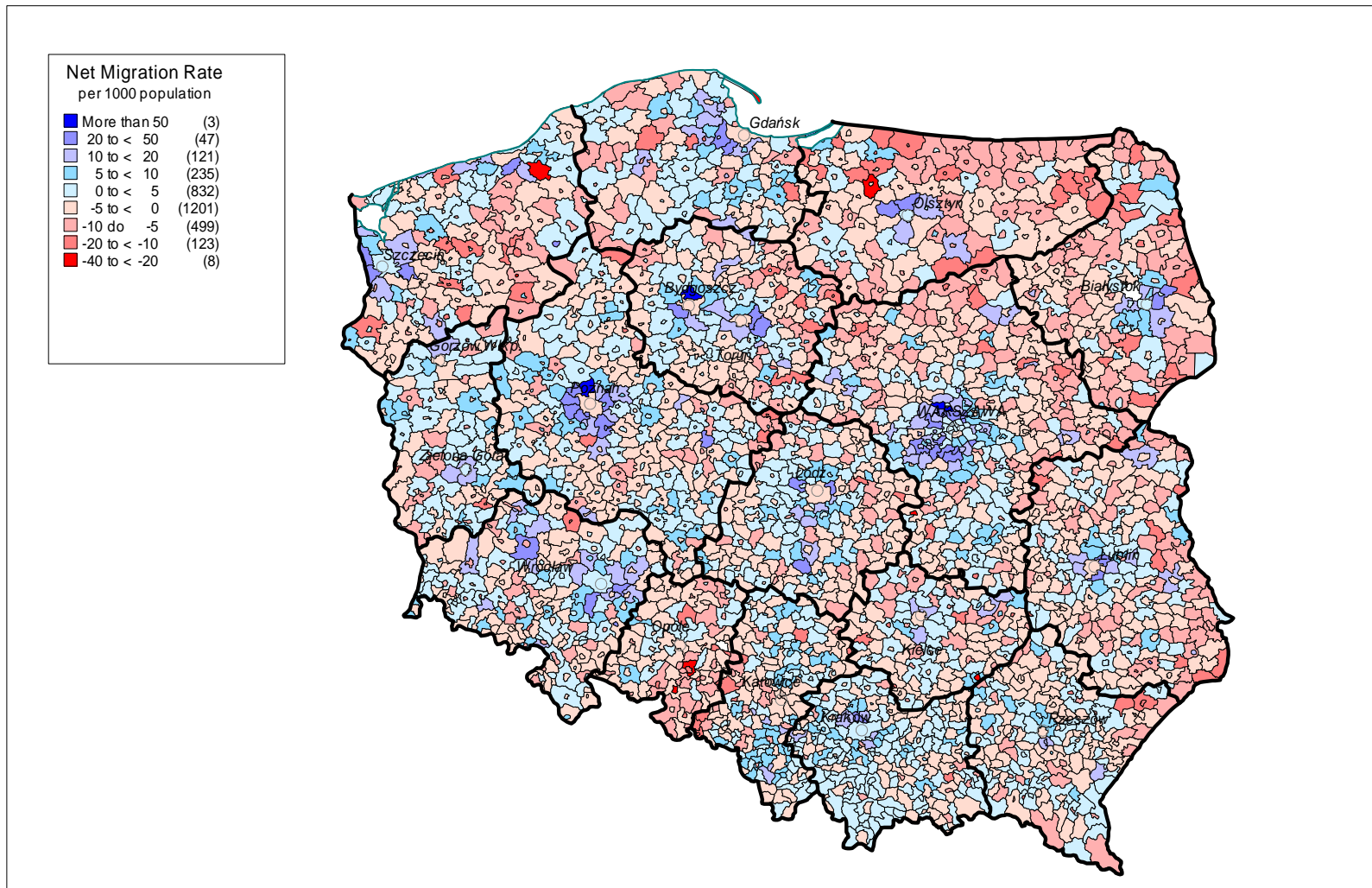


Large towns were all gainers (Figure 3). Medium size towns in most cases followed this pattern, with three classes of exceptions: new regional capitals created after administrative reforms in 1975: Tarnów, Krosno, Piotrków Trybunalski, Gorzów Wielkopolski and Radom; monofunctional industrial towns linked with the development of 'socialist investments', such as Puławy, Kędzierzyn-Koźle (chemical industry), Stalowa Wola, Starachowice, Tychy (metal and automotive industry), Pabianice (textile industry); and towns linked with mining and heavy industries: Ruda Śląska, Świętochłowice, Jastrzębie Zdrój, Bytom, Piekary Śląskie, Racibórz, Dąbrowa Górnicza in Upper Silesia as well as Wałbrzych and Lubin. The latter two classes show that the governmental policy of subsidies distributed to various gigantic socialist enterprises did not prevent population outflow.

If we accept the oversimplified interpretation that migration gains or losses demonstrates the economic well-being and quality of life of a places, we will have a picture of attractive Poland of large cities and suburban communes as well as of medium and small size towns and unattractive rural Poland and medium sized monofunctional industrial towns. The net migration patterns of 1994 shows already the features of internal migration system in the transition period.

The picture for 2004 (Figure 4) is on the first glance only slightly different. However, a more detailed examination of the differences shows that the difference is much more significant. First in 2002 there were some 120 communes more with net positive migration than in 1994. Second the number of communes with weak (below 5 per 1000) net migration loss increased by 181. Altogether in 2002 the communes with net migration loss were less numerous than in 1994.

Figure 4: Net migration by communes, 2002



Very clearly there were mostly the rural areas, which turned from negative to positive net migration. This observation is consistent with a generalised trend showing the decreasing role of rural depopulation in the structure of internal migration in Poland in the late 1990s and early 2000s. If we look in detail into the geographic patterns, the communes with negative net migration form large clusters north and east of Warsaw in the so called Eastern Wall, the territory bordering the former Soviet Union, spanning from Warmińsko-Mazurskie and northern part of Mazowieckie voievodships in the north-east, through Podlaskie and eastern part of Mazowieckie voievodships in the east, down to Lubelskie and Podkarpackie voievodships in the south-east. This is the largest territory depopulating due to internal migration. There are two more prominent depopulating areas, namely in Pomorze area (Zachodniopomorskie and western part of Pomorskie voievodship) as well as in the south of Poland in Opolskie and Western part of Śląskie voievodships. The latter is particularly interested, as it comprises not only of the rural communes but also of highly urbanized communed of Silesian agglomeration, dominated to large extend by obsolete mining and heavy industries. Even on the territories which were loosing population due to negative net migration, the intensity of this phenomenon were in 2002 much lesser than in 1994.

In 2002, as in 1994, suburban communes across the country were gaining migrants, irrespective of the size of the city of town. There very few urban agglomerations and towns, where this process has not been visible yet, namely silesian agglomeration and the town of Opole, which both have the features of suburbanisation on its north-eastern edges only. Agglomeration of Warsaw, Poznań or Bydgoszcz have developed very prominent suburban rings. Cities, such as Warsaw, Wrocław and Kraków and some towns as Szczecin, Olsztyn, Białystok or Zielona Góra experienced the net migration gains both in the core and in the suburban ring. Others, such as Poznań, Łódź and Gdańsk among the cities and towns, such as Bydgoszcz, Toruń, Rzeszów, Lublin, Kielce were loosing population in the cores and gaining in the suburban rings. It is, however, difficult to generalised the patterns observed. One also should keep in mind that actual immigration to these cities and towns must be considerably higher, as they all are academic centres with substantial inflow of students, who, quite often, do not register their migration, what results in the lowering of the value of net migration. There are also flows of educated and highly motivated young people, leaving rural areas and towns, who seek employment in large urban agglomerations. Quite often this migration is not registered, as the migrants rent accommodation on the temporary basis and the landlords prefer not to disclose their rental income from eyes of taxmen. It is very certain that the

process of suburbanization is in full swing in Poland. It partially explains the rapid increase in the role of urban to rural migration observed after 1995. Those who move from urban centres to suburban communes are employees typical for urban labour markets who remain on these markets after the migration. Sometimes they may bring some new service jobs to the suburban communes. Sometimes the move from urban to suburban areas together with their jobs. This is particularly the case of self-employed and smallest businesses for which the transfer of jobs is costless or very inexpensive.

There are also some anecdotal evidence of workers who take part in internal unfinished migration discussed in length in the section on international migration. This category of migrants come to cities and towns to do a specific tasks, often small contracts in construction business, working predominantly for households rather than for companies or businesses, typically renovating or redecorating flats. After completion of a job they return to their home villages or small towns. No data is to assess the magnitude and importance of the phenomenon and no research has been done on this type of migration. One may certainly assume that its size is smaller than the size of parallel unfinished international migration, as the payoff for internal unfinished migration is much smaller.

To conclude this section, clearly the most important effect of the political and socio-economic changes of the transition period on migration was the closing of state and enterprise supported flows and activation of purely economic mechanisms of migration which are explained by various existing economic theories of migration. This has lead to the reduction of flows from rural areas and small towns, especially in depressed and underdeveloped regions and retention of surplus labour in these areas, mostly because the internal migration of unskilled labour become economically unviable. The result is that substantial number of people is left without employment and without any realistic perspectives for it in the provincial Poland.

2.4 Commuting adjustment

Permanent migration is not the only possibility to access the desired labour markets. Another possibility is to commute to work. The opportunities and incentives to commute to work evolved over time. Ineffective socialist economy, insensitive to the costs of production, has always starved for labour. To satisfy this demand many companies organised dedicated

transport for their employees, often from relatively distant locations. Rail and coach tickets for the commuters were subsidised. This resulted in large commuting fields and numerous commuters (Potrykowska 1991). Important feature of the commuting system in Poland was the existence of a large group of dwellers of small towns and rural population running their farms and at the same time commuting on daily or weekly basis to work in industrial and urban centres. This category emerged partly due to insufficient income generated in agriculture, partly due to “underurbanization” – insufficient development of urban and industrial locations in comparison to the production driven labour demand. The underurbanisation blocked therefore the migration opportunities to urban and industrial areas, making it impossible to meet the demand for labour in industry. On the industrial labour markets the bi-carrier population, usually uneducated, have access to the worst jobs, poorly paid and physically exhausting, but not too demanding intellectually.

As in the case of migration, the transformation of the political, social and economic systems after 1989 and the cost-cutting spree by enterprises resulted, first of all, in the reduction of the expenditures on subsidising the commuting. The increase in the cost of travel for individuals made the work in industrial centres not viable from economic point of view. In addition employers, considered this group of employees as secure economically, keeping in mind that many of them have a second source of income, singled them out as the first for laying off. In addition their education did not meet the requirements of rapidly changing and modernising labour markets.

As a result of these processes, there emerged a large group of people who were used to life in two different places, in two different cultures, whose situation changed rapidly: They were not needed any more in their second place of employment, their incomes shrank rapidly and they had quite a lot of free time, as usually their farms were small and not requiring their full time work.

That was not the only interesting development of commuting patterns. In parallel to the reduction of the commuting of bi-career unskilled workers there developed also commuting of skilled staff, especially to largest urban agglomerations, in particular to Warsaw. This category of staff can get in Warsaw much higher earnings than in smaller towns or in nearby Łódź, what compensates both the pecuniary cost of commuting and the waist of time and inconvenience caused by daily travel to work.

The overall picture of changes of commuting patterns is that of shrinking between the period starting in 1970s and ending in early 2000s of enterprise-supported commuting and limited development of commuting of highly skilled, reducing therefore overall mobility. As a result surplus of unused labour was retained in wide rings surrounding industrial and urban centres which mostly attracted commuters.

2.5 International migration adjustment

Post-war emigration from communist Poland was relatively low (Stola 2001), however on various levels. Stalinist period witnessed virtually no migration at all. After 1956, for a short period of time, there was an increase in emigration, quickly reduced with the death of political thaw. Only in 1970 emigration started to rise, what continued till early 1990s.

Due to a low quality of the data it is difficult to assess the magnitude of emigration from Poland. The reader should be warned that the numbers referred to below are based on the statistics of receiving countries, which use different definitions of migration and different administrative procedures during the registration and hence are completely incomparable. Moreover the migration statistics suffer from underregistration and, as a result, underreporting.

Keeping these remarks in mind and based on a very crude estimates we may assume that the emigration from Poland changed from below 100 thousand events in early 1980s to up to half a million in 1989 (with very high, exceeding 300 thousand emigrations also in 1988 and 1990), down to around 120 thousand per year in late 1990 and early 2000. After 1994 the immigration to Poland has compensated the emigration to large extent. The actual annual net losses could be around 30-40000 a year in recent years.

If we look from another angle, namely the comparison of census populations, one may assess that between 1988 and 2002 (two consecutive census years) the population of Poland declined, mainly due to negative net migration by 351 thousand. In reality the loss was around 1 million, as another 620 thousand has not been accounted for, partly due to “temporary migration abroad” which in Polish statistics is not counted as emigration, therefore there is a very large numbers of people who are counted as inhabitants of Poland and who have been

abroad for years. It should be noted that most of this “unaccounted” deficit of population occurred before 1988 as the investigations of Sakson (2002) have clearly shown and was carried over from 1988 census to 2002 census.

Numerous research summarised in Jaźwińska and Okólski (2001) (see also Iglicka 1998 a, b, Okólski 2001 b) show, that the migration registered by national statistical institutions shows only a part of the process. Apart of it there is a certain number of illegal migrants, as well as a large number of various forms of incomplete, pendular migration. Incomplete pendular migration and short term mobility does not create large stocks of Polish population, rather it generates large number of flows.

As Jaźwińska and Okólski (2001) have shown, pendular migrants live in two worlds: this of their place of permanent stay and this of their place of destination. Pendular migration is a short term recurrent labour mobility, mostly illegal. In the destination migrants typically operate on the secondary labour market, using complex strategies to keep a job in the family or circles of friends, however, they have no intention to settle in the destination, because the economic grounding of the migration holds only when a migrant earns in rich, high salaries countries and spend in poorer, low cost of living countries. Permanent move to the destination as well as legalization of the employment in destination would result in need to pay taxes and cover the costs of various compulsory insurance policies (medical insurance, social security insurance etc.) and would wipe out the gains from migration which is essential part of survival and expansion strategies of families with low income. It must not be overlooked that this type of migration results in strong marginalisation both in source and in destination. Migrants are marginalised at source, because often and for prolonged periods they are away from their localities and they do not participate in the life of their communities. Their family life is frequently damaged, children often are brought up by grandparents and have limited contact with parents. The social cost of migration are therefore high.

One may ask question why this new phenomenon came to life. First, the liberalisation of the migration policies in early 1990s, concerning the access to Western European states, allowed for relatively unrestricted mobility of migrants. This has lead to increase in short term mobility, such as petty trade (Iglicka 1999), and to various short term and pendular labour migration. In line with the dual labour market theory there exists on West European labour market a substantial demand for labour prepared to work in low status, low paid jobs and this

demand, despite high unemployment in these countries, have not been met by local population. Visa regimes with Western European countries allowed for 3 months of visa-free stay for tourist purposes, stimulating strategies aiming at keeping jobs in a family. This has been achieved through swapping members of family who were doing the same job in the destination in three months or shorter cycles. As the migrants violated the limitation of the purpose for which they were allowed to travel visa-free, their stay abroad became illegal at the moment they took paid employment.

Apart of the registered settlement migration, there is a large group of legal short term (usually up to three months) legal labour migration, exceeding in recent years a quarter of million persons a year, mostly going to Germany. This phenomenon was researched extensively by Jaźwińska and Kaczmarczyk (2002).

With Poland joining the European Union the visa restrictions on travel of Polish citizens to other EU member states have been completely removed, however the restriction on freedom of labour remained in place in all countries except the UK, Ireland and Sweden. Most likely these changes will have a little impact on this category of migration and this sector of labour market, as the migrants operate mostly in grey, illegal sector, as it was argued earlier.

The phenomenon of pendular migration is a very interesting one from the point of view of labour markets. As it was mentioned earlier, the economic transition was closely linked initially with the emergence of unemployment on the Polish labour market and then, especially in late 1990s and early 2000s with its substantial growth. The increase in unemployment coincided with the stabilisation of registered emigration from Poland and the stabilisation of net migration on relatively low level. Apparently, high unemployment has not stimulated long term officially registered migration. The evidence from qualitative research (Jaźwińska, Okólski 2001) show that the people and families unable to earn enough money in Poland are looking for employment abroad, where salary levels for unskilled labour may be two to four times higher than in Poland. Taking employment abroad reduces the pain of lack of cash of families in on low income and provides much needed inflow of remittances to family and local budgets. Łukowski (2004) estimates that for a small town the total value of remittances to family budgets may be comparable to a budget of the entire town and around two third of income from employment generated locally. Even if his estimate is quite

optimistic, clearly the remittances from migration is very substantial and plays vital role in sustaining local economies.

In the decade ended with the enlargement of the European Union on the 1st May 2004 educated Poles, operating on primary labour market, did not consider emigration from Poland as a much more attractive option than working in Poland. A good proof of this is the complete flop of German 'green card' recruitment among Polish IT professionals. The non-pecuniary costs of migration, such as difficulties in adjusting to a new society and cultural environment which is often hostile to foreigners, and severing links with family and friends are probably among most important. The migration decisions are in most cases household or family decisions rather than individual ones. Migration brings in the problem with the employment of spouses and, in consequence, comparison of two salaries in Poland with one salary abroad makes the purely financial requirements of migrants quite high. Decreasing differentiation in incomes between Poland and Western Europe, especially among the highly skilled in certain professions, as ITC or financial services, and very strong Polish Zloty make migration less and less attractive. In future the ageing of the Polish population will be another counter-migration factor.

However some professional groups have been in high demand and subject to very active recruitment campaigns of the commercial recruitment companies. This is the case especially of the medical professions who are sought after in the UK, the Netherlands, Sweden, Norway, Italy, to mention just some of the recruiting countries. It is difficult to assess the numbers, but we may have an insight into the migration of doctors to Sweden. The recruitment of medical doctors to work in Sweden is centralised. Medena, a company licensed to recruit and train Polish doctors to work in Sweden claims that since 2000 it has "exported" 250 doctors. Given that Sweden is not the largest country one may assess that recent emigration of doctors could be quite numerous, perhaps well over a thousand of persons since 2000. There are also anecdotal evidence of migration of dentists and nurses, who are employed mostly in care industry and also privately as caretakers for elderly.

It is interesting to see how the migration pattern changed after 1st May 2004, that is the enlargement of the European Union. The secondary labour market and various forms of illegal short term migration have been affected less of all, these migration and migrants have been illegal and functioning in black and grey economy in order to make money out of the

migration and the change in the legal situation was for them irrelevant. Possibly the only effect will be, that the three months limitation of the visa-free tourist stay has been lifted, what may somewhat affect the timing of the migration that more migrants might be attracted by the countries which opened their labour markets. That may lead to legalization of some of these migration and more civilised condition of employment and better pay for some of the migrants. The highly skilled migrants receive much better access to some markets (UK, Ireland, Sweden), but there is no particular rush abroad, except medical professions as discussed above.

Certain novelty is a change in the situation of skilled manual workers who in the past usually worked in unskilled or semiskilled professions, very often illegally. Carefully selected workers with well defined skills are recruited by individual companies or by association of entrepreneurs. The list includes drivers in England, sailors in the Netherlands, skilled industrial and construction workers in Spain etc. The assessment of the post-enlargement emigration is difficult, especially that most likely it consists of very different groups of migrants: short term migrants seeking employment on secondary labour market, which is a very heterogenous group, ranging from students seeking holiday jobs or young graduates to unemployed, unskilled opportunity hunters. Then comes the group of skilled and semiskilled workers, who in the past operated on unskilled labour market only to professionals looking for both better opportunities and salaries as well as training and experience. Some light might shed by the recent issue of a report on immigration to the UK after the enlargement of the EU prepared by Home Office and other British governmental institutions (Home Office et al., 2004). The report is based on compulsory for the citizens of new member states Work Registration Scheme and covers period from May through September 2004, first five months of free labour movement between the UK and the new member states. Altogether 48585 applications for registration were received from Polish citizens, what constitutes 56% of all applications. Substantial part of applications came from persons who entered the UK before 1st May 2004. The occupational structure of registration issued shows that a vast majority of employed took unskilled and semi skilled jobs, but quite a few of them registered for work in administration, ITC and management. This emigration is not very significant, since August there is less than 10000 newcomers a month and most likely the downward trend would hold in winter months.

The overall picture of emigration from Poland in the last two decades is that after an outbreak of emigration at the turn of 1980s and 1990s which, Korcelli (2000) argues, was due to coexistence of three simultaneous factors: lenient immigration policies in Western Europe as a pull factor and poor economic and political conditions in Poland as push factors, a stabilization of emigration was reached which is characterized by a moderate long term emigration and skilled emigration and rather significant, but difficult to assess short term, cyclical and pendular migration aiming at secondary labour market. The latter does not contribute to population decline in Poland. It seems that labour migration alleviate the problem caused by high unemployment at home but, by no means, solves it. The recent settlement migration has a negative impact on the demography of Poland, but, unlike the emigration wave of 1980s and early 1990s, does not seem to distort substantially the demographic structures. One should be aware that the global picture for the nation may look very differently to the local processes, where migration may have a profound impact on both local labour markets and local finances, as well as on demographic developments of local communities.

3 In lieu of conclusion: A substitution hypothesis

Existing body of research suggests that there may be some dependence between internal and international migration. Korcelli (1994) has shown that in Poland regions with high internal outmigration have low international outmigration. Okólski (2000) sees incomplete international migration as a process of substituting commuting with international migration. The increase in international emigration could have been caused by the blocking after 1989 of the two channels of finding employment internally in Poland, either through commuting or through permanent internal migration. In this case international migration replaces internal mobility upward the urban hierarchy of communist era.

One may set therefore a hypothesis that there is a process of *substitution of commuting and internal migration with various forms of international migration*. This hypothesis which seems to be quite well documented for Poland, most likely holds also in other Central European countries. To verify it, large scale dedicated comparative research in Central Europe would be needed.

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