Demographic and economic challenges in an emigration-immigration country - the case of Poland

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Driving forces behind demographic trends in Visegrad countries: The role of migration and family formation
Prague, 10-11 September 2015
Structure of the presentation

- Introduction: Migration cycle and migration transition
- Migration transition – theoretical and conceptual considerations
- Towards a net receiving area? Interpretation
- Challenges in an emigration-immigration country – the case of Poland
  - Demography
  - Labour market
  - Integration
Introduction: Europe as a migration area - European Migration Cycle

‘Old’ immigration countries
- France, Germany, Austria, UK
- (dis)integration / social exclusion of immigrants
- crisis / failure of the multiculturalism

‘New’ immigration countries
- Italy, Spain, Ireland, Portugal
- transformation of immigrants into settlers
- ways to integrating them in economic and social terms

‘Future’ immigration countries
- CEE
  - completion of the transition?
  - impact of on-going recession
  - high emigration rates in the post-accession period
  - circular mobility as a major form of movements

before 1975... around 1980 / 1990 2020 (?)
Migration transition

- Origins: Zelinsky (1971), Skeldon (1990,1997) → linkages between migration patterns (internal, international, circular etc.) and demographic developments

- Transition from net sending into net receiving area:
  - Chesnais (1992), Okólski (2012) → demographic transition (FDT) and migration cycle (net emigration – transition phase – net immigration) → demographic pressure as the most important pro-migratory factor, demographic insufficiency as the main driver of immigration (de Kaa 1999 – SDT); from trickle to mass migration - Hatton and Williamson (2008)
  - Fields (1994) → economic changes (export-led growth accompanied with well integrated labour markets) as the main driver of migration transition → increase in demand for labour beyond the stage of full employment → recruitment
  - de Haas (2010) → capabilities and aspirations to migrate
Migration transition - capabilities / aspirations approach

- **migration aspirations**: not treated as given preferences, rather: dependent on the development process

- **migration capabilities**: social, human and material capital people are able to mobilize (in order to become mobile)

- **hypotheses**: migration capabilities are expected to rise with development; migration aspirations are expected to have an inverted U-shape (decline due to lowering of the wage/income gap)

Czaika and Vothknecht (2014) - two capacities:

- **Capacity to realize** → transformation of migration potential into real migratory streams

- **Capacity to aspire** → function of a difference between reality and „aspired level of subjective well-being” (cfr. Hoffman-Novotny, relative deprivation, information asymmetry)
Migration transition - capabilities / aspirations approach

- individual model translated into macro-level variables → migration transition

- migration capabilities increase exponentially during the early development phase (effect amplified by migrant networks and migration hump) → then capabilities reach very high level but aspirations to migrate tend to decline (income gap diminishes)

- development means higher attractiveness for potential immigrants (controversial – too simplistic → importance of: 1) labour market and 2) demography)

- development pushes countries towards net migration frontier

CASE OF POLAND?

Source: de Haas 2010: 19
Case of Poland: Post-enlargement migration experience (1)

- EU-Enlargement and migration – why important?
- toward European Economic Space?
- scale of the change

<table>
<thead>
<tr>
<th>Accession year</th>
<th>New member states</th>
<th>No. of EU member states (after enlargement)</th>
<th>Number of new EU citizens (in thous.)</th>
<th>% change of number of new citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>Denmark, Ireland, United Kingdom</td>
<td>9</td>
<td>64 228</td>
<td>30.8</td>
</tr>
<tr>
<td>1981</td>
<td>Greece</td>
<td>10</td>
<td>9 701</td>
<td>3.5</td>
</tr>
<tr>
<td>1986</td>
<td>Spain, Portugal</td>
<td>12</td>
<td>48 515</td>
<td>16.7</td>
</tr>
<tr>
<td>1995</td>
<td>Austria, Finnland, Sweden</td>
<td>15</td>
<td>21 859</td>
<td>6.2</td>
</tr>
<tr>
<td>2007</td>
<td>Bulgaria, Romania</td>
<td>27</td>
<td>29 244</td>
<td>6.3</td>
</tr>
</tbody>
</table>

- limitations: transitional periods (part. Germany and Austria), access to welfare systems, barriers imposed in case of the 2007 accession round
- effects: enormous changes in terms of scale, dynamics and structural features
Post-enlargement migration experience (2)

Number of EU-12 nationals (at all ages) residing in the EU-15 countries in thousands, 2000-2014

Source: Fihel et al. 2015
Post-enlargement migration experience (3)

Migration from Poland – stock and main destinations

Source: Own elaboration based on the CSO data
Post-2004 emigration from Poland – why so massive?

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>Capabilities</th>
</tr>
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<tbody>
<tr>
<td>• wage / income gap</td>
<td>• institutional changes → free migratory regime</td>
</tr>
<tr>
<td>• differences in standards of living</td>
<td>• costs of transportation</td>
</tr>
<tr>
<td>• growing (?) inequality → relative deprivation, subjective well-being</td>
<td>• access to (free) information</td>
</tr>
<tr>
<td>• educational boom</td>
<td>• formal recruitment / recruitment agencies</td>
</tr>
<tr>
<td>• social change (middle class)</td>
<td>• educational boom → skills</td>
</tr>
<tr>
<td>• EU citizenship</td>
<td>• structural demand for foreign labour (at destinations)</td>
</tr>
<tr>
<td></td>
<td>• migrant networks</td>
</tr>
</tbody>
</table>
Post-2004 emigration from Poland – why so massive?

2004 → structural break → development as a trigger of mass out-migration (BUT NOT ONLY DUE TO CAPABILITIES)

Importance of long-term perspective
→ scale and structure of recent migration deeply rooted in the past; e.g. socialist model of industrialization and urbanization (incomplete urbanization)

→ entrapment of people in the least developed regions → labour market mismatches, oversupply of labour matched with rising level of aspirations
Immigration to Poland – basic data

- Register data - 2001-2013: 155 thous.
- National Census 2002 – 40.6 thous. foreigners
- National Census 2011 – 110 thous. foreigners (0.3% of the total population)
- Labour Force Survey: around 60 thous. foreigners (0.2% of the total)
- Work permits issued: around 40 thous. in 2013 and 2014
- Most important immigrant groups: former Soviet Union (Ukraine, Belarus), Vietnam, China, Western European countries

But:

- Passenger border traffic: approx. 60-70 million of visiting foreigners in 2012-2014
- Number of declarations issued (simplified procedure): around 235 thous. in 2013, 387 thous. in 2014 and and **411 thous. in the first half of 2015** (90% - Ukrainians)
Immigration to Poland – why (still) so limited?

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<td>• wage / income gap</td>
<td>• migrant networks</td>
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<tr>
<td>• differences in standards of living</td>
<td>• cultural proximity (Ukrainians)</td>
</tr>
<tr>
<td>• lack of jobs</td>
<td>• geographical proximity (Ukrainians)</td>
</tr>
<tr>
<td>• migration as a survival strategy</td>
<td>• business of migration (facilitators)</td>
</tr>
<tr>
<td>• growing (severely) inequality</td>
<td>• demand (in process of building)</td>
</tr>
<tr>
<td>• lack of economic and political stability</td>
<td>• ROLE OF THE SIMPLIFIED PROCEDURE ➔</td>
</tr>
<tr>
<td>BUT:</td>
<td>cfg. Ukrainian crisis</td>
</tr>
<tr>
<td>• MANIFOLD DESTINATIONS ➔ competition for talents (?)</td>
<td></td>
</tr>
</tbody>
</table>
Towards a net immigration area?

MIGRATION TRANSITION

Key factors:
- Labour market needs?
- Economic convergence? (attractiveness)
- Immigration policies?
- External factors?
Challenges for and emigration-immigration country (1)

- **Net migration and demographic challenges**
  - Post-accession outflow and demographic future of Poland
  - Additional effects: social impacts, impacts on family formation, regional disparities
  - Net migration and demographic ageing

- **Net migration and labour market needs**
  - Overall effects – replacement migration?
  - Structure of immigration
  - Sectoral effects (construction, agriculture, care services)

- **Integration**
  - Lack of systemic solutions
  - (Very) limited experience
  - Ad-hoc measures
Challenges: emigration and demographic future of Poland

What do we know? Official forecast vs. scenarios including data on ‘temporary’ emigration

Additional effects:
- Social impacts
- Impacts on family formation
- Etc.

Source: OBMF
Challenges: emigration and demographic future of Poland

Regional and country level effects

Migration loss: Poland: 6.8%
Migration loss - 18-64: Poland 7.9%
Migration loss - 18-44: Poland 10.0%

Source: OBMF
Challenges: emigration and demographic future of Poland

Old-age dependency ratio, 2008, 2035 & 2060

- Low immigration, high emigration countries
- Lowest low fertility

EU-27
- 2008: 25.4
- 2035: 42.3
- 2060: 53.5
Challenges for and emigration-immigration country (2)

- Net migration and demographic challenges
  - Post-accession outflow and demographic future of Poland
  - Additional effects: social impacts, impacts on family formation, regional disparities
  - Net migration and demographic ageing

- Net migration and labour market needs
  - Overall effects – replacement migration?
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- Integration
  - Lack of systemic solutions
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  - Ad-hoc measures
Challenges: immigration and demographic future of Poland

Replacement migration?
Net immigration needed to maintain the size of the labour force in Poland - estimation

Source: Strzelecki 2012
Challenges: immigration and demographic future of Poland

Replacement migration? Recent and ‘future’ stocks necessary to maintain the number of persons aged 20-64

Stock of immigrants as a share of population aged 20-64 (2050):
- PL (1 - Eurostat): 43.6%
- PL (2 - UN): 45.7%
- UK: 12.3%

Source: OBMF
Challenges for and emigration-immigration country (3)

• Net migration and demographic challenges
  • Post-accession outflow and demographic future of Poland
  • Additional effects: social impacts, impacts on family formation, regional disparities
  • Net migration and demographic ageing

• Net migration and labour market needs
  • Overall effects – replacement migration?
  • Structure of immigration
  • Sectoral effects (construction, agriculture, care services)

• Integration
  • Lack of systemic solutions
  • (Very) limited experience ¯\_\_\_\_ \ Poland as primarily a transit country
  • Ad-hoc measures