



CENTRE OF  
MIGRATION  
RESEARCH

## **Session III:**

# **Managing labour migration in relation to economic and demographic needs**

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# Questions

- Is migration a solution to labour market shortages or surpluses?**
- How can governments assess current and future labour market needs? What capacities are needed to improve these assessments? And how can the knowledge gained be incorporated into migration policymaking?**
- What are some of the most effective approaches in differentiating migration policy responses by sector and skill level?**
- What is the role of temporary and circular migration in meeting short, medium and long-term labour market needs? What can be learned from past migration schemes attempting to match labour supply and demand?**

# Is migration a solution to labour market shortages or surpluses? EU-Enlargement as a migratory experience

## □ EU-Enlargement process

→ toward European Economic Space?

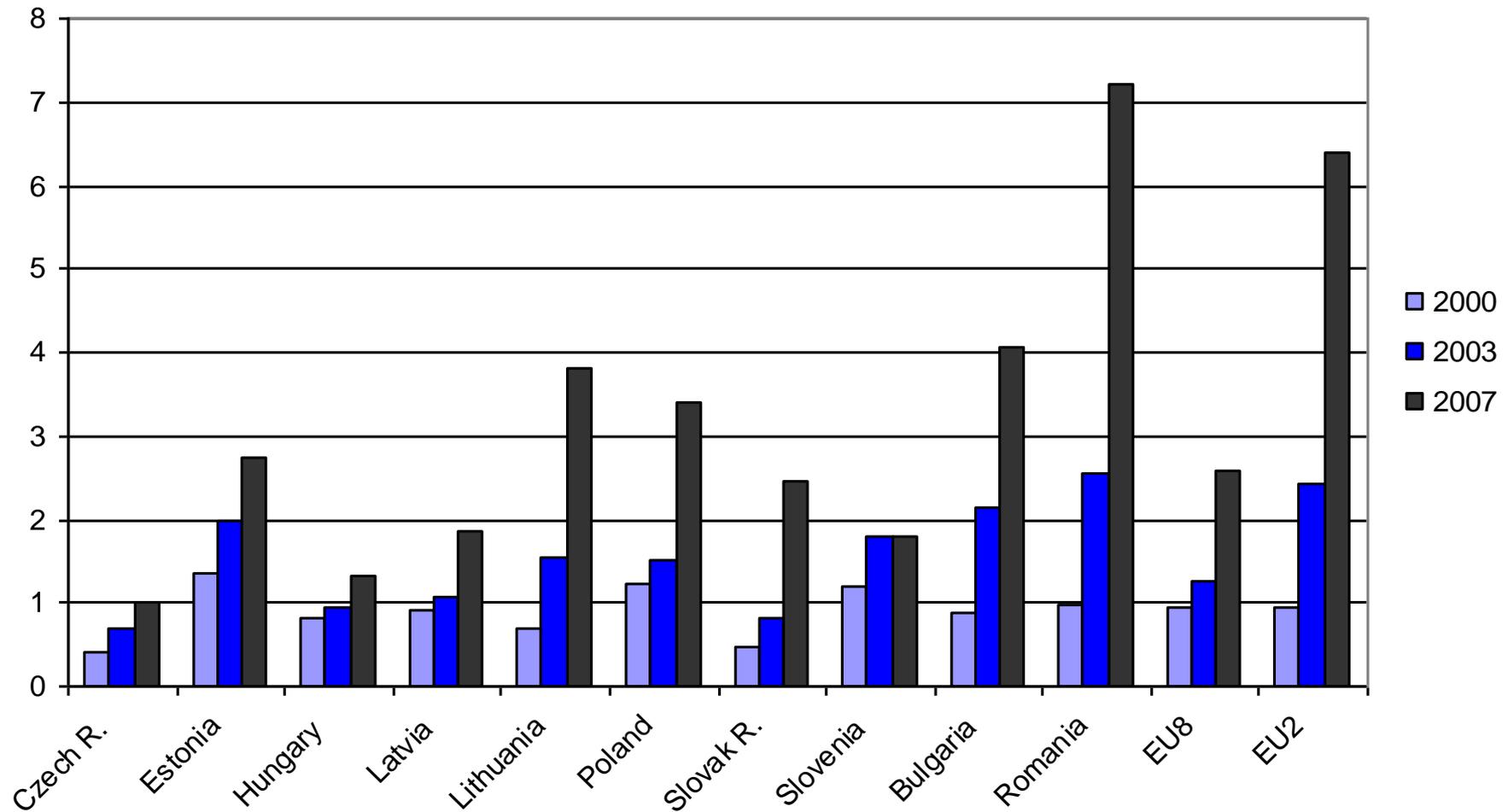
→ institutional changes regarding mobility and migration

→ limitations: transitional periods (part. Germany and Austria), access to welfare systems

□ **Impacts of enlargement:** impact on flows and stocks of migrants from NMS, impact on structure of migration from NMS, socio-economic impacts of post-accession migration



# Post-enlargement migration: The sending countries (share of emigrants in sending population)



# Post-enlargement migration: flows and stocks of migrants

- ❑ **Increased outflow** from all EU8 (post 2004) and EU2 (post 2006)
- ❑ **Significant differences noted with regard to migration scale and dynamics** → four types of CEE countries with regard to international mobility:
  - Large **volume** of migration, large **migratory potential** → Poland
  - High **intensity** of migration → Baltic countries, part. Lithuania
  - Large **scale** and high **intensity** of migration → Bulgaria and Romania
  - **Very low outflow** → Slovenia, Hungary, Czech Republic
- ❑ **Importance of institutional factors** (opening of EU labour markets) – diversion effect (???)

# Post-enlargement migration: supply side

- ❑ **Predominantly males** (but structure depends on the structure of demand in host countries → e.g. Italy ), **young**
- ❑ **Relatively well educated** → Almost a quarter of EU8 immigrants with high level education (positive selection regarding skill level)  
→ But: majority still with medium levels of education
- ❑ **Outflow strongly correlated with unemployment rates** (of younger cohorts) but ambiguous individual effects (→ migration in search for better job)
  
- ❑ Aggregate data document **decreasing unemployment, increasing number of vacancies, and employment growth**, as well as **increasing wages** in the post-enlargement period (before the crisis) – but: methodological difficulties with separation of the „migration effect”
  
- ❑ **No incidence of massive “brain drain”** from the new member states, although in some sectors (e.g. health care) negative impacts of the outflow visible. „Beneficial brain drain” – possible in the long run



# Post-enlargement migration: matching labour demand

- ❑ **Higher labor market participation, higher employment rates and lower unemployment rates** than the populations in either the sending or receiving countries

**Exception:** EU8 immigrants in Germany

- ❑ EU8 immigrants **overrepresented in low and medium-skilled sectors and occupations** → which reflects structure of demand

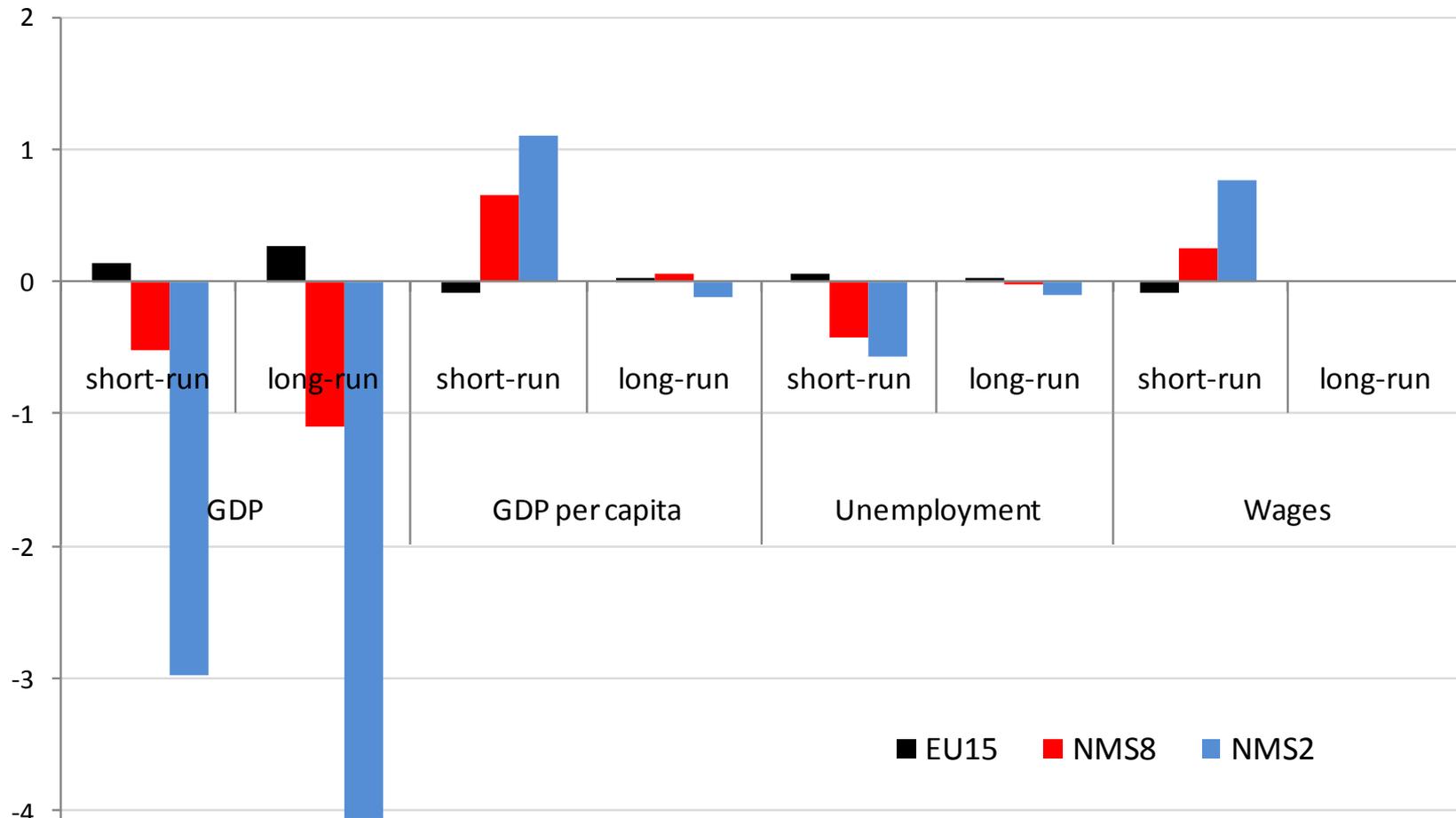
- ❑ **Self-employment rate**

→ Low among recent EU10 immigrants in the UK

→ High among EU2 immigrants in the UK (50%) and among recent EU10 migrants in Germany (40%)

→ **Self-employment as a way to circumvent transitional arrangements (!)**

# The macroeconomic impact of migration from the NMS, 2004-2007



- Positive effects for receiving, negative or neutral for sending countries
- Moderate impacts in the short-run, negligible in the long-run
- Significant differences between NMS8 and NMS2

# Is migration a solution to labour market shortages or surpluses?

- ❑ **It can be...** - but particularly in the short- and medium-term
- ❑ **Importance of migration regime** → freedom of movement matters!

but: diverse migratory behaviour within same regime (UK vs. Italy; UK vs. the Netherlands)

- ❑ **Long-term impacts** → **toward structural changes?**
  - structural origins of recent migration from Poland
  - post-enlargement migration as „labour market pre-emption”
  - but: labour market reform necessary!!!
- ❑ **Migration for development and not instead of development** → migration as a part of country’s development strategy (combined with education, training, inclusion, etc. )

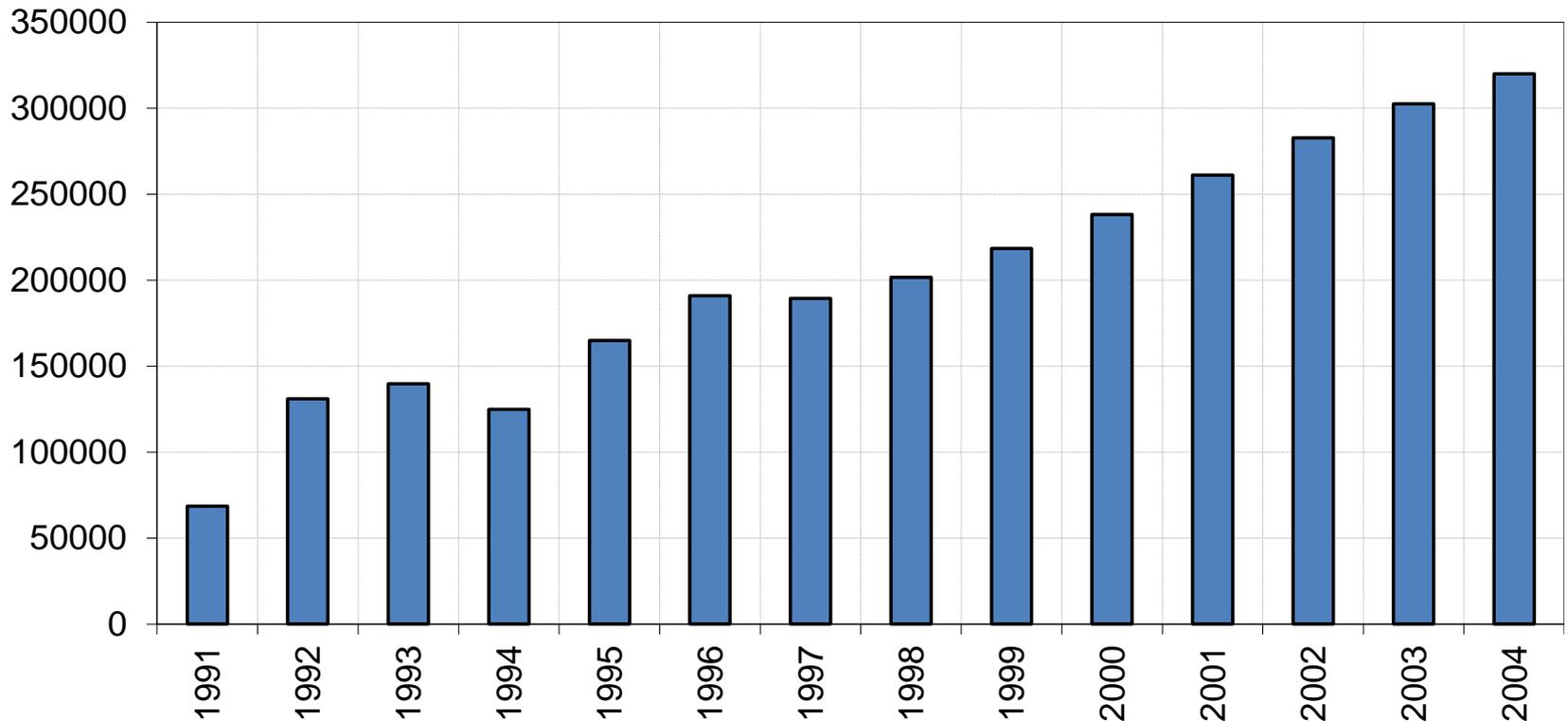
# Temporary and circular migration – past experiences

## Why temporary / circular mobility?

- ❑ **Seasonal pattern of production** → seasonal demand on labour (construction, agriculture, hotelling industry)
- ❑ **Lower costs of mobility**
  - for migrants: separation costs (in terms of professional career and private life)
  - for receiving countries: integration measures not needed
- ❑ **Lower wages (???)**
- ❑ **Structure of labour markets in well developed economies** → secondary segments of LM → serious shortages of labour
- ❑ **Temporary workers can easily accept low wages and bad working conditions**

# Polish seasonal migration to Germany

## Polish seasonal workers employed in Germany, 1991-2004



Source: Ministry of Economy and Labor data

### Success?

- In terms of numbers
- Importance for the Polish labour market (on local and regional scale)
- Critical for particular segments of the German labour market

# Polish seasonal migration to Germany – lessons to be drawn

## Why successful?

- ❑ Geographical proximity, low transportation costs
- ❑ One of a few options of legal mobility available
- ❑ Clear and straightforward rules, easy administrative procedures, low costs
- ❑ Economic rationale – low costs (including separation costs), relatively high economic benefits (particularlry as compared to salaries in sending country)
- ❑ Two gates – „official” one (labour offices and agencies) and networks’ based.