



Should We Stay or Should We Go? Polish Emigration Abroad since 2004

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Abstract:

Nowadays a lot of young people in Poland ask question about future place to work and live. They encounter dilemma: should they stay in Poland (which is connected with difficulties with labour-market in Poland) or should they take an advantage of Polish participation in European Union and start their life in another country in Europe. Since 2004 many of European countries have opened their labour-market for Polish emigrants.

Nowadays a lot of young people in Poland ask question about future place to work and live. Many of them speak foreign languages, they are young and ready to start their new life in new place, new country. They want to take the advantage of opportunities given them. Due to the fact that on 1 May 2004 Poland became member of European Union, and many countries, such as: United Kingdom, Ireland, Sweden, opened their labor markets for Poles. Finland, Spain, Portugal and Greece did it in May 2006, The Netherlands in May 2007, and in November 2007 – Luxemburg. It is observed “brain drain” that we can define as “the loss of skilled intellectual and technical labor through the movement of such labor to more favorable geographic, economic, or professional environments”. And often, young graduates work below their qualification.

Statistics concern Polish emigrants and emigration

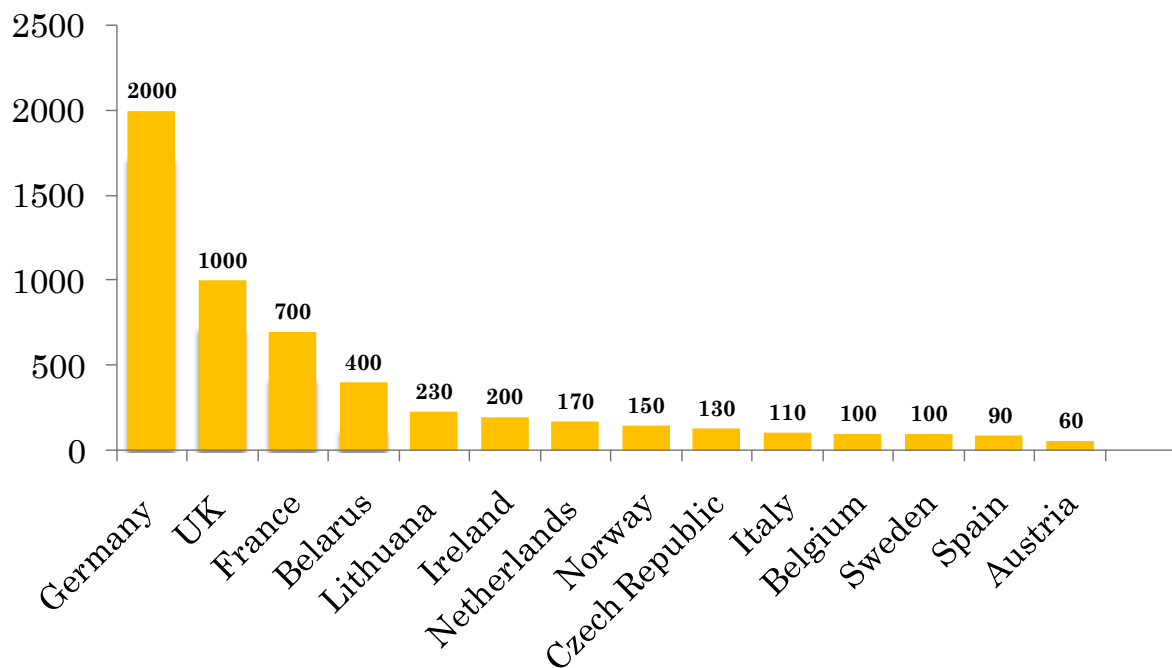
Emigration is one of the biggest problems that Polish government should face and solve it. Why do I think that there is a problem? I would like to present some statistics and numbers. It was estimated, that in the end of 2008, about 2.21 mln Poles lived abroad, for temporary residence, which is nearly 6% of total population of Poland. In the end of 2002, 85% of them live in Europe and 82% live in countries that are members of European Union – 1 820 mln people. For a comparison, in the end of



2002 0.54 mln Poles lived in countries that belong to European Union. So, we can see an 303% increase in the period 2003-2008.

The chart below presents the structure of Polish emigrants overall, not only since 2004. As it is presented, the most popular direction is Germany, where over 2 mln Poles live. Second most popular direction is United Kingdom with 1 mln Poles. The third place, where about 0.7 mln Poles live is France.

Chart 1 Structure of Polish emigrants overall, in thousands

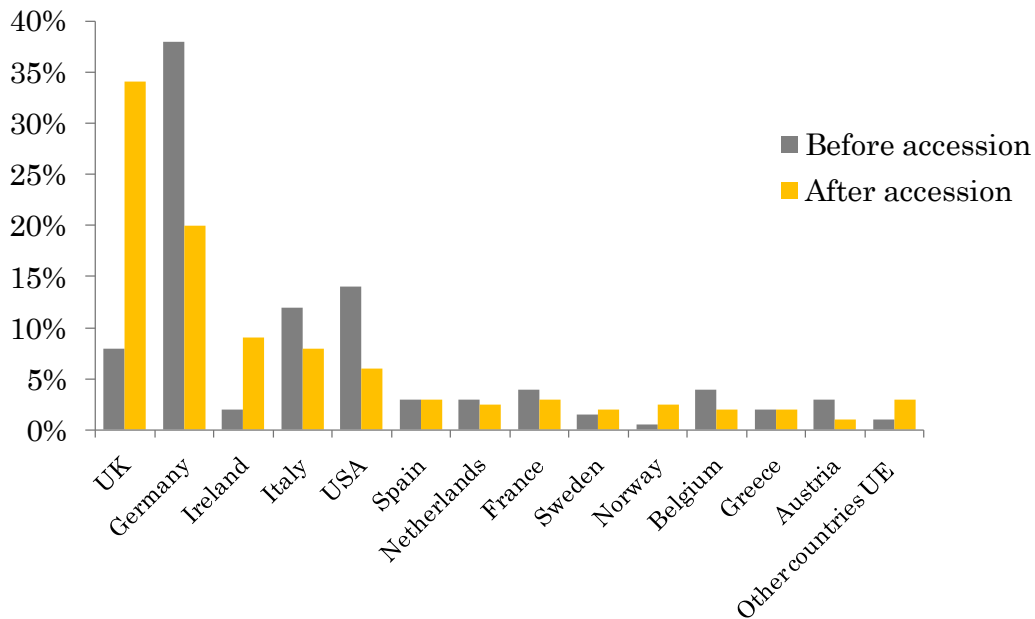


Source: Report on the situation of Poles Abroad; Foreign Office

The chart below presents the structure of Polish emigrants before and after accession to European Union. We can observe, sharp increase in United Kingdom and Ireland. Those increases are connected with the fact, that United Kingdom and Ireland opened their labor market on 1 May 2004. Some directions as United States , Italy and Germany have become less popular among Poles since accession.



Chart 2 Comparison of directions before and after accession of Poland to European Union



Source: The latest from the Polish emigration. Report OBM

The table below presents change of number of emigrants in 2009 in compare with 2008.

Table 1 Change of number of emigrants in 2009 in compare with 2008.

Country	Change (%)
Great Britain	-15%
Ireland	-22%
Spain	1%
Norway	+18%
Finland	-25%
Sweden	+7%
Germany	-15%



France	-16%
Italy	-4%
Netherlands	-22%
Austria	-5%
Belgium	+3%
Greece	-20%

Source: Gazeta Wyborcza

We can observe the biggest falls in countries such as Great Britain, Ireland and Netherlands, in countries that were the most popular in the past among Polish emigrants.

The main characteristics of statistical emigrant are:

- Young person (18-34/37 years old);
- Male rather than female;
- Without children;
- Blue – collar worker (waiter, farm laborer, workfolk);
- Able to perform work requiring narrow specialization (dentist, computer engineer);
- Transferring some part of the salary back to Poland.

Rationales behind emigration

Next issues are rationales behind emigration (economic, demographic, social). I tried to answer the question “Why do Polish people emigrate and why does emigration seem to be attractive?”

- **High unemployment rate in Poland.** The table below presents unemployment rates in Europe in 2004, the unemployment rate in Poland was the highest.



Table 2 Unemployment rate in 2004

Country	2004
Finland	10,4%
Greece	10,2%
France	9,2%
Germany	10,7%
Poland	19,1%
Portugal	6,3%
United Kingdom	4,6%
Ireland	4,5%
EU (average)	8,2%

Source: Eurostat

→ **Low salary in Poland.** The table below presents minimum wage in Europe in January 2009.

Table 3 Minimum wage in January 2009 in Europe

Country	Minimum wage
Belgium	1 387 €
France	1 321 €
Ireland	1 462 €
Poland	281 €
United Kingdom	1 010 €
Hungary	270 €

Source: Minimum Wages in January 2009

→ **Favorable exchange rates.** On average, in 2004 we paid 6.68 Polish Zlotys for 1 British Pound and 4.53 Polish Zlotys for 1 Euro, nowadays 4.83 and 3.97 respectively.

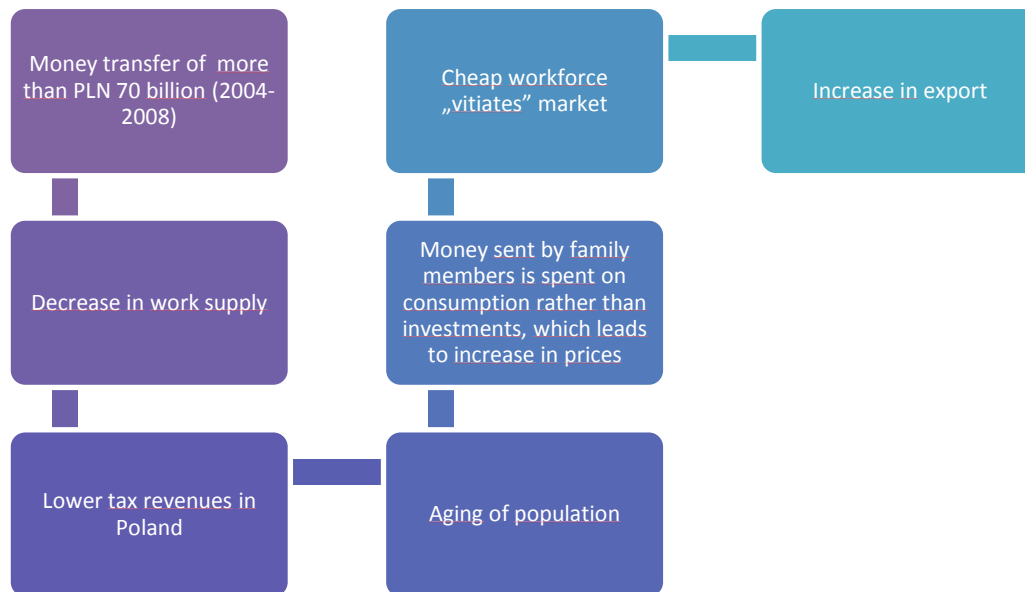
→ **New opportunities.** Young Poles wanted to gain experience, learn foreign language, earn money.



Impact on the economy

It is not a subject to doubt that emigration affects Polish economy. It also has impact on economic growth, economy overall and labour-market of both countries: Poland and destination country. The most important after-effects were presented.

Chart 3 Impact of emigrations on markets



Source: Prepared by myself

It was estimated that during 2004 and 2008 PLN 70 billion was set by bank transfer. It is really hard to estimate, how much Poles brought to Poland "in the pocket". In 2009 GDP (Gross Domestic Product) in Poland was 1 271.7 billion PLN. As was mentioned before, in Poland we observed decrease in work supply, due to the fact that significant number of Poles emigrants. They started setting up new companies abroad, they worked abroad, so they paid taxes abroad and it means lower tax revenues in Poland. The next effect is that cheap workforce "vitiates" market. Let's assume that we are hotel managers in Scotland and we want to hire new maid. We ask Scottish person and offer him/her 6£ per hour. Probably, he/she will refuse, because this wage might seem too low for her/him. And we, as managers, we could offer this job Polish emigrant and probably he/she will not refuse. The next negative effect is increase in prices, because money sent by family members is spent on



consumption rather than investment. Aging of population is observed. And the last mentioned effect is increase in export, for example in UK there are Polish shops and in Tesco we can find “Polish shelves” with Polish food.

Polish government response

Due to the fact that Polish emigration is a problem for the government, several actions took place that could entice emigrants into coming back to Poland. The response of Polish government concerning the issue of emigration was program “Comeback”. It concerns tax relief, facilitation of business setting up process and help to solve problems which emigrants may encounter after coming back. Unfortunately, this program was not very successful.

Coming back to Poland

We can find 3 main reasons why Poles come back to Poland:

- **Casual work.** They go only for holidays, just for earning money and coming back for studies;
- **Loss of job / inability to find job.**
- **Family issues.** It was found that a lot of couples that one person emigrates, were broken.

Despite of those reasons, mentioned above, Poles still want to emigrant. I would like to present three the most important. First of all, they worked below their qualification and now they encounter difficulties when trying to find new work. Secondly, they used to earn money, and in my opinion this is the main reason. During working abroad they could afford to buy things that here, in Poland, they cannot afford. And the last reason, the usually come back to small towns, and they miss “previous” life.

New opportunities starting 1 May 2011?

May 2011 Germany and Austria will open their labourmarket for Poles. It is a good news for those countries. Let’s take a look at situation in Germany. Their economy is growing, the growth of GDP is positive, but at the same time the population is aging. So the conclusion is that they need emigrants. German Minister of Economy, Reiner Bruderleg, proposed paying special “welcome premium” for emigrants. The money would be paid workers in needed occupations.



According to data from Central Statistical Office of Poland, 415 thousand Poles worked in Germany in 2009. It is estimated that the same number of Poles will emigrate after 1 May 2011. On the one hand, the emigration will be not so strong as after 1 May 2004, when over 2 m Poles emigrated. But on the other hand, the impact on Polish economy will be stronger and worse. We can ask why? There are few answers. First of all, nowadays the unemployment rate in Poland is lower than in 2004, so Poles who could find a job in Poland will emigrate. Moreover, in Germany, 36 thousand engineers, 20 thousand IT specialists, nurses and people who will look after elderly people. But the problem is that, in Poland they are also needed. Secondly, The distance between Poland and Germany is shorter, so there is higher probability that Polish emigrants will call for their families and try to start new life abroad as whole family.

My experience

In the last part, I wanted to share my experience about emigration, about people met, due to the fact that I have been working abroad twice during my vacation. First, I worked in Edinburgh in Scotland as maid. And then in the Netherlands I worked as blue – collar worker. I met different people. I met Dagmara, the woman, who had been living in Scotland for 2 years and hardly spoke English. She worked with other Poles, in shops the prices were on the labels. But I also met Anna, she worked as IT specialist, she speaks English well, she had English mates. And I also met people, who came to Scotland only for holidays, they started earning money, they could afford to buy a lot of things and it was so tempting that they gave up studies and stayed in Scotland.



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