BLAMING POLES FOR THE DUTCH ECONOMIC CRISIS?

Assessing the impact of Polish immigration on the Dutch labor market between 2008 and 2012

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DECLARATION BY CANDIDATE

I hereby declare that this thesis, “Blaming Poles for the global economic crisis. Assessing the impact of Polish immigration on the Dutch labor market between 2008 and 2012“, is my own work and my own effort and that it has not been accepted anywhere else for the award of any other degree or diploma. Where sources of information have been used, they have been acknowledged.

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Introduction

In May 2004 Poland together with other seven Central and Eastern European countries (CEECs) joined the European Union (EU). This significant event in the Polish history has brought a lot of new challenges, advantages and considerations to the Polish government as well as to the Polish citizens. One of the advantages was free movement of workers and possibility for Polish people to live, study and work abroad without applying for special permits. This matter became, however, an area of controversy in the Netherlands and has been widely discussed in the political lobbies. Below I discuss a sequence of important events happened in the Netherlands before the 2004 enlargement of the EU, and the opening of the labor market for Polish immigrants because of their importance in influencing the position of Dutch government towards Poland.

To begin with, regarding the free movement of workers, the EU leaders of the old member states decided that the countries could have an option not to open their borders for workers from the new member states until 2011. Countries such as Germany and Austria proposed long transition period before opening of the borders for the free movement of workers in the enlarged EU. At first, the Netherlands, as one of the most liberal member states on this matter did not support this proposal arguing that the ‘four freedoms’ of the common market will be implemented as soon as possible, and without bigger troubles¹. The Netherlands based their decision mainly on the predictions made by the Social and Economic Council (SER). The reports predicted no greater migration flows after enlargement, except the seasonal workers, and no significant effects on wages and unemployment in the Netherlands caused by an increased number of immigrants².

Although the Netherlands supported the accession of Poland, in the early 2000s Dutch views on EU enlargement in general started to become more skeptical. This change in position was caused by a new political movement led by former sociology professor and political columnist Pim Fortuyn. The main points raised by Fortuyn were the social integration of the immigrants, and Dutch multiculturalism. He rapidly gained support and his party, the Pim Fortuyn List (Lijst Pim Fortuyn; LPF) was in the center of the attention during the elections in 2002. He became famous for controversial statements, inter alia, that Islam was a ‘backward culture’, and that the article in the constitution prohibiting discrimination should be removed. In short, Fortuyn succeeded in

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² Ibid.
tapping into growing public dissatisfaction with immigration. However, he could not enjoy his political success for a long time. On May 6th 2002 Pim Fortuyn was murdered. This unexpected event has been shocking for the whole country, however, the elections took place as planed, on May 15th 2002. The outcome resulting in a center-right coalition formed by the Lijst Pim Fortuyn (LPF), the Christian Democratic Alliance (CDA) and the People’s Party for Freedom and Democracy (VVD), and their skeptical approach towards EU enlargement was not promising for the countries of Central and Eastern Europe awaiting accession to the European Union. The first Jan Peter Balkenende government took office in July 2002. Its program included the creation of a department on European integration, formulating that “accession of new member states must be subject to the strict application per country of the Copenhagen criteria”\textsuperscript{3}. In October 2002 the European Commission approved a strategy paper regarding the enlargement with recommendations which were not positively received in The Hague. Some of the members from the coalition parties publicly spoke about their doubts regarding the enlargement. Some were of the opinion that Poland is not ready to join the EU due to incomplete fulfilment of all the Copenhagen criteria. Political climate in the Netherlands did not favor the Polish situation as well. In the end of October 2002, the first Balkenende government resigned. At the beginning of 2003 electoral campaigns took place and the second Balkenende government took office based on a coalition of the CDA, the VVD and the Democrats 66 (D66). The Dutch priority on enlargement was the Common Agricultural Policy (CAP) reform. Without it, the Netherlands threatened to veto the enlargement. At the European Council in Brussels, in October 2002, the Netherlands and other net contributors agreed on the CAP reform and other financial implications of enlargement\textsuperscript{4}.

With regard to the free movement of workers between December 2002 and Poland’s accession to the EU, the Netherlands were considering whether they will make use of the option not to open their borders for workers from the new member states. As mentioned above, European issues had become strongly politicized in Dutch decision-making. The established parties had to make decisions about their positions regarding European Union. Many of them moved in a rather Euro-sceptic direction. To strengthen the legitimacy of future EU reforms and increase public involvement the members of parliament from the Green Left Alliance (Groen Links), D66 and the Labor Party introduced in May 2003 national consultative referenda on EU treaty reforms. The

\textsuperscript{4} Hellema, Poland and the Netherlands, 274.
motion was accepted and resulted in a referendum on the European Constitution that took place on June 1st 2005. Its outcome was rather unsatisfactory for Europhiles in the Netherlands (61.6% of votes against the European Constitution versus 38.4 for ‘yes’)\(^5\). The results emphasized the rather negative climate in the country with regard to the European Union and hence the new members of the EU.

In consequence, Poland and other new member states were at the center of the debate in the parliament as well as in the media. Some of the political parties such as the VVD, representatives of the LPF and Christian Democrats stood for strict rules with regard to the free movement of workers from ten new members of the EU. The consequences of a free labor market in an enlarged EU aroused concerns not only in the Netherlands. The matter was discussed throughout the European Union. Many experts pointed to the problem of a stream of cheap workers from Central and Eastern European countries, which could in a negative way affect European labor markets in Western Europe\(^6\).

Despite the discussion in the Dutch parliament, many Polish workers were already looking for work in the Netherlands. From 2000 to 2003, the number of temporary workers from Poland sharply increased from 15,000 to 58,000. Not only ‘push’ but also ‘pull’ factors played its role here. Employers in sectors such as health and agriculture were not able to find sufficient numbers of workers in their home country or in other parts of the European Union. They arranged work permits for workers from non-EU states and hired mostly Polish workers\(^7\). One of the reasons for choosing Poland and Polish immigrants as a subject of this thesis is the high number of Poles that came to the Netherlands after the EU enlargement. Polish immigrants to this day represent the biggest group of immigrants from Central and Eastern Europe\(^8\).

Despite the problems of the previous years on May 1\(^{st}\) 2004, Poland and other nine countries became members of the European Union. The Netherlands followed Germany and Austria and decided to make use of the option and keep the borders closed to workers from new members of


\(^{6}\) Hellema, *Poland and the Netherlands*, 278.

\(^{7}\) Ibid. 279.

the EU for the maximum time of seven years. Despite earlier plans, the Dutch government decided to open the border for Polish labor immigrants on 1st May 2007. According to Minister of Social Affairs Piet Hein Donner (CDA), further delay in free movement of workers within the EU would be harmful to the business community because of an increasing shortage of personnel. Furthermore, the relations with Poland could be negatively affected.

As a consequence of these events, and the high number of Polish immigrants arriving in the Netherlands since 2004, a number of studies has been done regarding immigration from CEE countries including Poland. Issues such as integration of the Polish immigrants, their life in the Netherlands and their position on the labor market were investigated. There have been attempts to answer the question whether immigration of the Poles is rather temporary or of long-term nature. However, studies regarding the impact of immigrants from Central and Eastern Europe including Poland on the Dutch labor market, and especially in time of the global economic crisis, are rather meager. In the book titled “A Continent Moving West? EU Enlargement and Labour Migration from Central and Eastern Europe”, edited by Richard Black, Godfried Engbersen, Marek Okólski and Cristina Panţiru, and published in 2010, one chapter is devoted to the workers from CEE countries in the Netherlands. In this book, Godfried Engbersen, Erik Snel and Jan de Boom analyze the most important trends of labor migration from these countries before and after the enlargement in May 2004 and January 2007. They based their analysis on two statistical sources. The first source is the municipal personal records database (GBA). The second source is related to temporary work permits which shows an increase in the number of issued temporary work permits to residents of CEE countries. However, this methodology has a shortcoming. Due to the fact that after 1st May 2007 residents from the new member states did not need a work permit to be employed in the Netherlands, the second source became useless.

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9 D. Hellema, Poland and the Netherlands, 280.
13 J.Dagevos, Poolse Migranten, 2011
14 R.Black, G.Engbersen, M. Okolski, C. Pantiru, A Continent Moving West? EU Enlargement and Labor Migration from Central and Eastern Europe, 2010
15 Ibid.
The authors summarize what is known about some of the economic consequences of labor migration, in particular labor market displacement and wage competition, and the likely negative effect of labor migration from CEE countries on wage levels for Dutch workers. They conclude their summary with the statement that the economic consequences of CEECs labor migration have in general been advantageous for the Netherlands. With some exceptions, there are no explicit indications of reduced wage effects in the low-skilled sector or job displacement for native Dutch workers. However, the authors focused on the outcomes of immigration in times of a positive economic climate, when Dutch labor market was perceived as tight. They admit that this would change if one analyzes the impact in times of economic recession\textsuperscript{16}.

On the contrary, Roodenburg, Euwals and ter Rele came to the conclusion that with regard to job displacement immigration of labor (not specifically from CEE countries) to the Netherlands will negatively affect the natives only in situation where natives have skills comparable to those of immigrants. Natives with skills complementary to those of immigrants will win in the long run. Regarding wage effect, due to labor market imperfections, part of the income effects for the native workers will be replaced by employment effects (unemployment instead of a wage decrease). The report prepared by these authors concludes that many immigrants have a negative (financial) contribution to the Dutch society\textsuperscript{17}.

Other authors, namely Constant and Zimmermann state that the contribution of the immigrants depends on the characteristics of the people entering the country. The study by Constant and Zimmermann was one of the motivations for this thesis and its main research question, namely \textit{what have been the consequences of Polish migration into the Netherlands on the Dutch labor market in the period of economic recession (2008-2012)}? Following the line of reasoning of the authors mentioned above, I will investigate and present the characteristics of the Polish immigrants in the Netherlands. Constant and Zimmermann’s study has hence been hence the background for the first sub question which addresses the characteristics of Polish immigrants entering the Netherlands and their position on the Dutch labor market. I will try to answer the question what are the consequences with regard to the impact on the Dutch labor market of these specific features of Polish immigrants living in this country. As Constant and Zimmermann claim, the

\textsuperscript{16} R.Black, \textit{A Continent Moving West?}, 2010, 115-140
characteristics of people entering the country can reflect the way in which they affect the labor market. In the first section of this thesis, by presenting and analyzing the features of Poles in the Netherlands and supported by the theory described below, I will try to discover the consequences they have had on the Dutch labor market.

An important question arises as to why I decided to focus my investigation on specifically Polish immigrants. During the years prior to the European Union enlargement in 2004 many workers, mainly Polish, arrived in the Netherlands. This was the result of economic growth and a fairly tight labor market in the late 1990s. During this period, there was high demand for labor (seasonal in particular) in the Dutch agricultural and horticultural sectors\(^\text{18}\). The Dutch Government introduced in 2002 its Seasonal Work Project. This project aimed at facilitating employment of seasonal workers from Poland for companies from the agricultural and horticultural sectors\(^\text{19}\). In the same time, temporary employment agencies began with recruiting workers from CEE countries, mainly from Poland. As a result of this, in early 2004, an estimated amount of some 25000 Poles were hired in the agricultural and horticultural sectors in the Netherlands\(^\text{20}\). Since Poland joined the European Union in May 2004 the number of Polish immigrants arriving in the Netherlands continues to grow. Moreover, apart from Poland, the EU expended by other seven Central and Eastern European countries in 2004. Furthermore, in 2007, Romania and Bulgaria joined the EU. However, citizens of any of these countries do not migrate to the Netherlands as frequently as Poles. According to the authors of the report “Polish labor migration” by the Netherlands Polish Council for Trade Promotion from 2011, 80% of the Central and Eastern European labor migrants come from Poland\(^\text{21}\). Moreover, according to one of my interviewees representing the Federation of Private Employment Agencies (ABU), in 2009, 92% of foreign labor workers employed by work agencies associated with ABU came from Poland. In 2013, this percentage decreased to 65%\(^\text{22}\). Moreover, headlines and television news in the Netherlands are often filled by slogans such as: “De Polen pikken onze banen in!”\(^\text{23}\) (The Poles are taking our jobs!), “Polen blijven langer

\(^{18}\) R.Black, *A Continent Moving West?*, 2010, 120


\(^{21}\) Netherlands Polish Council for Trade Promotion, *Polish labor migration*, 5

\(^{22}\) Interview ‘c’ with Mr. Jochem de Boer, international flex migrants, The Federation of Private Employment Agencies (ABU), 06.10.2014, Lijnden

en dat kost ons miljoenen” 24 (Poles stay longer and that cost us millions), “Goedkope Polen” 25 (Cheap Poles). This has immense influence on the image of Polish immigrants among ordinary Dutch citizens. Since 2004, the immigration of Poles to the Netherlands has been a spoken-about issue. Often in a negative way. There has been a website specially created by political party PVV and its leader Geert Wilders to report complaints about Polish immigrants: “Heeft u overlast van Polen? Of bent u uw baan kwijtgeraakt aan een pool? Wij willen het graag horen. Meldpunt overlast biedt u op deze website een platform om uw klachten te melden.” (Do you have any nuisance because of Poles? Or have you lost your job because of a Pole? We want to hear it. Reporting center provides a platform to report your complaints.) 26 The point of this thesis is to shed some light on the facts rather than many fabricated myths, hasty conclusions or exaggerated accusations.

In order to be able to answer the research question the thesis identifies several sub questions. The first, already mentioned, sub question discusses the characteristics of Polish immigrants entering the Netherlands and will assess Polish migration into the Netherlands as a post-enlargement phenomenon, and particularly focus on the Polish immigrant’s profile. The second and third sub questions will then identify the consequences migration has had on the Dutch labor market. As such, it will first discuss job displacement, after which it will turn to the matter of the impact on wages. By looking closely at the profile of the Polish immigrant, existing literature on this topic, as well as by conducting interviews with personalities associated with the theme of migration of Poles to the Netherlands, I will try to answer the question what impact Polish labor immigrants had on the Dutch labor market. Due to the significant amount of studies already conducted and which focused mostly on the years just after Polish accession to the EU, I will focus on the period of the economic recession in the Netherlands between the years 2008-2012 to see whether this had any influence on the contribution of the Polish immigrants.

The structure of the thesis is as follows. The next section builds up a theoretical framework by discussing the most popular migration theories and by explaining the rationale behind using the

dual labor market theory with regard to the migration of Poles to the Netherlands. Subsequently, the methodology, which will be applied to investigate the problem is presented. In the second chapter I will present and discuss the statistical data on migration of Poles to the Netherlands as well as the empirical evidence on the quality of migrants. Chapter III discusses the position of Poles on the Dutch labor market. Chapter IV analyzes the Dutch labor market between the years 2008 and 2012. Chapter V analyzes the impact of the Polish migrants on Dutch labor market dependent upon their characteristics, as well as by analyzing the collected empirical data and conducted interviews. The last section stands as conclusion.

I. Theory and methodology

When theorizing migration, one would like to find an answer to four main aspects related to the origins of migration: the direction of migrant flows, the continuity of these flows, the utilization of immigrant labor, and the socio-cultural adjustment of migrants. Due to this multifaceted research field of migration it offers multiple levels of analysis. The ideal situation would be to find a theory which can explain all four aspects of migration. However, each of these fields can be analyzed from different perspectives, and therefore, individual attention and different tools are needed. That is why ‘mid-range’ theories oriented in one or two of these fields are preferred to an comprehensive statement 27.

Since 2000, a boom in empirical work on migration and development can be observed. However, Hein de Haas points to the lack of theoretical rootedness and mostly descriptive nature of empirical work which did not improve the evolution of theory of migration and development. He states that most of the empirical work remains underexplored and wishes for more empirical work to test theoretically derived hypotheses in order to raise the generalized understanding of migration-development interactions 28.

During the twentieth century some theoretical perspectives on migration have evolved, yet, they evolved in isolation from one another. They differ also in their level of analysis and in paradigmatic

and thematic orientation. According to Hein de Haas this lack of coherence can be caused by the fact that migration has never been the exclusive field of one of the social sciences. Instead it has been studied by most of them. Differences in level of analysis and disciplinary, and paradigmatic orientation have resulted in widespread controversy on the nature, causes and effects of migration. Several migration studies state that there is no comprehensive migration theory. They explain why it is so difficult to develop such a general theory of migration by the complexity and diversity of the phenomenon, the difficulty to isolate migration from other socio-economic and political processes and combining macro- and micro-level of migration theories. Moreover, scholars such as Salt and van Amersfoort conclude that it is likely that a general theory of migration will never emerge.

Ernst Georg Ravenstein is the person to indicate first when mentioning the first scholarly contribution to migration. Ravenstein was a geographer and in the nineteenth century he wrote two articles in which he formulated his “laws of migration”. He claimed that the main causes of migration were economic. This economic explanation has dominated scholarly and popular thinking on migration. There is one general notion that is being continued in the work of many economists, geographers, and demographers until now, and it says that migration movements tend towards a certain spatial-economic equilibrium.

In addition to the “laws of migration” there are many other theories. One of the general migration theories is the neo-classical economic theory. This theory explains migration by geographical differences in the demand and supply of labor. The resulting differential in wage levels makes workers migrate from low-wage, labor-surplus to high-wage, labor-scarce regions. The theory says, that labor in the destination country will become less scarce and scarcer in the sending country. Capital is expected to move from receiving to sending country, thus in the opposite direction. This process, called “factor price equalization” (the Heckscher-Ohlin model), should result in removing the incentives for migrating by convergence between wage levels in the sending

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29 H. de Haas, Migration and development, 2008, 2.
Ibid., 214-301
and receiving country. At the micro-level, neo-classical migration theory views migrants as rational, individual actors, who use a cost-benefit calculation when deciding about migration. Neo-classical migration theory can be placed within the functionalist paradigm of social theory. Important to add, the neo-classical migration theory was used in research which preceded the enlargement of the European Union in 2004.

Another general theory emerged in response to this functionalist neo-classical theory. The historical-structural theory has a different interpretation of migration. It has its root in Marxist political economy and in world systems theory. This theory has dominated migration research in the 1970s and 1980s.

Historical structuralists perceive migration as a natural outcome of disruptions and dislocations that are inherent to the capitalist accumulation process. They state that political and economic power is unevenly distributed between developed and developing countries and they see migration as one of the manifestation of growing unequal terms of trade between developed and developing countries. Moreover, they postulate that capitalist expansion resulted in intensifying these inequalities. According to historical structuralists underdeveloped countries do not go with the modern and progressing flow towards economic development. Instead they are trapped within the global geopolitical framework due to their disadvantaged position. In regard to the migrants, historical-structural theory views them as individuals constrained by structural forces without a free choice. According to the theory people migrate not because of their free choice but rather due to the fact that traditional economic structures have been weakened by their incorporation into the global political-economic system.

Looking from the perspective of world-systems analysis of Emmanuel Wallerstein, the incorporation of the ‘peripheries’ into the capitalist economy results in a migration drain on these

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33 H. de Haas, *Migration and development*, 5.
34 S. Castles, MJ. Miller, *The Age of Migration*, p.25.
36 Emmanuel Wallerstein (1974) has developed a world-systems analysis wider known as world-systems theory classifying countries according to their dependency degree, and makes a distinction between capitalist ‘core’ countries, ‘semi-peripheral’, ‘peripheral’ and isolated countries in the ‘external’ area.
countries. That is not in line with the Heckscher-Ohlin model of factor price equalization, which should result in removing the incentives for migrating by convergence between wage levels in the sending and receiving country. In the world-systems view, labor moves to the direction of capital, however, capital is not expected to move from receiving to sending country\textsuperscript{37}.

Both above described theories of migration are a failure, in explaining why some individuals in a certain region or country migrate and others do not\textsuperscript{38}. With regard to the neo-classical equilibrium perspective, in most developing countries, factor markets (capital, insurance) are not perfect. Access to financial services and capital is difficult for marginalized groups. Due to the focus of the neo-classical framework on expected income explaining actual migration patterns becomes difficult\textsuperscript{39}. Historical-structural theory has been criticized for viewing individuals as victims of capitalist expansion. Furthermore, formerly developing and labor exporting countries such as some southern European countries and the ‘Asian Tigers’ have refuted rigid forms of historical structuralism by achieving sustained economic growth possibly because of their firm association to global capitalism. For these states, inclusion into global capitalism and, probably, high labor migration have worked out well\textsuperscript{40}.

The incorporation into global capitalism can have positive or negative effects in various areas of development and on various groups of people within the society. These effects depend on such circumstances as economic strength of regions and countries and the internal socio-political cohesion, as well as how the incorporation is embedded into wider institutional structures. Thus, (labor) migration cannot be viewed as escape from poverty because not only the poorest migrate, and due to the possibility that migration facilitates development through return migration, reverse flows of capital, knowledge and ideas\textsuperscript{41}.

Due to the critics described above I will present the push-pull framework consisted of some of the spatial models developed mostly by demographers and geographers\textsuperscript{42}.

\textsuperscript{37} H. de Haas, \textit{Migration and development}, p.7
\textsuperscript{39} H. de Haas, \textit{Migration and development}, 6
\textsuperscript{40} Ibid., 8
\textsuperscript{41} Ibid.
\textsuperscript{42} Ibid.
One of them was Lee who improved Ravenstein’s 19th century laws on migration and suggested a new analytical framework for migration. According to Lee, the decision whether to migrate or not depends on personal factors, factors related to the area of origin and factors associated with the area of destination. Lee stated that the likelihood of migration depends on individual characteristics because people respond different by the factors at origin and destination\(^4\).

The push-pull model by Lee is an individual choice and equilibrium model and due to that it is analogical to neo-classical micro-models. Nevertheless, according to de Haas it has been criticized for being a descriptive model that enumerated diverse factors playing a role in migration decisions in a relative arbitrary manner rather than a theory. Another criticism is that the push-pull framework is of rather limited analytical use. It has the predisposition to confuse different scales of analysis (from individual to global) and to not assign relative importance to the diverse factors affecting migration decisions. Moreover, push-pull models do not allow for empirical tests on the importance and role of factors that have been excluded or included. In short, the push-pull model concentrates on external factors that ‘cause’ migration and it is incapable to analytically situate migrations as an integrant part of broader transformation processes. Consequently it seems of limited analytical use\(^4\).

Dissatisfaction with the above mentioned theories led to the emergence of the New Economics of Migration (NEM) theory. It offered a new level of analysis, and most importantly, it shifted the attention of migration research from individual independence to mutual interdependence\(^4\). The main argument of this theory is that the decision about migration is made by families or households rather than by individual, isolated actors. Furthermore, the decisions whether to migrate are not made based on individual profit-maximizing calculations as in the push-pull model by Lee, but are rather a response of the household to the failures of a labor, credit, and insurance market and income risk. As such, the decisions are influenced by a comprehensive set of factors shaped by the circumstances in the home country. In other words, in the situation of absence of wage differentials or when there is no migration in the presence of wage differentials it forces to consider other factors connected to relative deprivation, risk-aversion and risk-minimization of household income. A significant role in the new economics of migration research framework is reserved for remittances.

\(^4\) H. de Haas, *Migration and development*, 9
due to the fact that they directly assist the concept of household interconnectedness and the diversification of risk, and in the same time allow to analytically combine the empirical study of the causes and consequences of migration\textsuperscript{46}.

In this thesis I make use of yet another migration theory; dual labor market theory. This choice has been made due to the fact that this theory focuses on the receiving end of migration which is the subject of this analysis. Furthermore, this theory pays attention to the macro-level of structural determinants. What is more, dual labor market theory can be applied well to labor migration flows as well as to the labor market.

The dual labor market theory has been developed by Michael Prior (1979) and it argues, that international migration is the result of permanent demand for foreign labor. This demand is caused by the character of economy in advanced countries. In turn it results in the segmentation of labor markets\textsuperscript{47}.

According to the theory, in highly advanced economies demand for foreign labor is being created due to, inter alia, native workers which for several reasons (low-paid, dangerous, low-prestige, unstable, unskilled) are avoiding these jobs. The theory answers the question of the reason for this situation, and it is structured into sub-questions\textsuperscript{48}: First, why are there in highly advanced economies low skilled and unstable jobs? Second, why do native workers avoid these jobs? Third, why cannot the native workers’ refusal to take these jobs be tackled by standard market mechanisms, for example by raising the wages for low-paid jobs? Fourth, why do workers from low-income countries not refuse to take such jobs? Finally, why structural labor demand cannot be filled by women and teenagers?

Regarding the first sub-question, in highly advanced economies, there are low-skilled jobs due to the division of the economy into two sectors. Capital-intensive primary sector and a labor-intensive, low-productivity sector. This causes a segmented labor market. As for the second sub-question, native workers avoid such jobs because of their low prestige and status, because they do not promise any upward mobility and because of motivation problems. According to the theory,

\textsuperscript{46} L. Kurekova, “Theories of migration”, 4
\textsuperscript{48} Ibid., 289
this problem cannot be solved through standard market mechanisms for a simple reason. Increasing salaries for low-skilled jobs would require raising them in the higher segments as well. This would result in structural inflation. Workers from low-income countries are mostly satisfied with their salaries when comparing them to standards in their home country. What is more, they do not pay attention to the status and prestige in the place which they will probably leave in the future (temporary workers) and are willing to occupy such low-skilled jobs. As regards the last sub-question, structural labor demand cannot, as in the past be filed by women and teenagers. Women do not pay attention to low-skilled jobs and are instead willing to make careers at high levels. Furthermore, the fact that teenagers educate themselves longer, together with their tendency of having less children, results in their changed position on the labor market as well.49

As mentioned above, dual labor market theory does not explain the cause of international migration. Rather, it highlights a significant factor, which is the demand for foreign workers, inseparable from the economic structure of contemporary advanced societies. Furthermore, dual labor market theory contributed to refute the concept that immigrants compete with local workers and affect their level of wages and unemployment perspectives. I would like to answer the question whether this theory helps refute this concept with regard to Polish immigrants in the Netherlands. The reason to choose this theory is because it best suits the research question of this thesis. However, the theory is criticized for explaining only part of the picture due to its exclusion of ‘push’ factors.50 Moreover, today, immigration, especially if analyzing Western Europe, does not result primarily from recruitment practices. In Western Europe and other advanced economies immigrants often come on their own initiative. After Poland entered the EU and after the opening of the Dutch labor market, Polish immigrants no longer need a residence nor a work permit, and may enter not necessarily to fill pre-existing jobs. Often, there is a situation where immigrants constitute a supply of labor that creates its own demand. This results in new jobs that would not exist before immigrants entered the labor market. I will try to answer the question whether this is true in regard to the immigration of Poles to the Netherlands in the period 2008-2012.

Dual labor market theory seems most applicable when answering the research question of this thesis. The theory motivates me to ask questions such as: was there demand for foreign labor in

49 J. Arango, “Explaining migration”, 289-290
50 Ibid.
the Netherlands between 2008 and 2012? Do Dutch native workers avoid taking low-prestige, unskilled and unstable jobs? Answers to these questions will help to answer the main research question of this thesis. Moreover, the general opinion about labor migrants in the Netherlands is that they contribute to the lowering of the wages of the natives and compete with them for the same jobs negatively affecting their employment perspectives\(^1\). I will try to answer the question whether this is true in the case of Polish immigrants in the Netherlands as well.

As regards the methodology, in order to answer the research question a multilevel comparative analytical framework based on existing evidence, descriptive empirical analysis and interviews will be applied.

In order to provide an overview of the migration figures of Poles to the Netherlands, statistical data collection provided by the Dutch Central Statistical Office (Centraal Bureau voor de Statistiek, CBS) will be analyzed and conclusions will be drawn. Besides these data, very detailed and extensive data obtained from the Dutch Social and Cultural Planning Office (Sociaal en Cultureel Planbureau) regarding the life of Polish immigrants in the Netherlands will be analyzed. Presented data refers, inter alia, to the number of Poles in the Netherlands, their level of education and their position on the labor market. In this section I will also use the dual labor market theory in order to see whether the predictions of the theory coincide with the collected data on Poles in the Netherlands.

The main objective of this thesis is to determine the impact of the Poles on the Dutch labor market. These effects depend, inter alia, on the characteristics of the immigrants\(^2\). In order to answer the question of what the characteristics of the Polish immigrants are and the most important impact they have on the Dutch labor market, the Dutch Social and Cultural Planning Office’s data mentioned above will be studied. However, I decided to expand the scope of the analysis by conducting 14 interviews with personalities associated with the subject of immigration of Poles to

\(^1\) [http://www.telegraaf.nl/binnenland/21817641/_Asscher_waarschuwt_EU__/html](http://www.telegraaf.nl/binnenland/21817641/_Asscher_waarschuwt_EU__/html) (Access December 2014)


the Netherlands and their impact on the Dutch labor market. These include both Dutch and Polish nationals.

The first interview has been conducted with the representative of the Embassy of the Republic of Poland in The Hague. The Embassy’s opinion on the subject is significant due to its comprehensive competence and variance of the tasks performed by this governmental institution. During the interview, I gained abundant general as well as social and economic information regarding Polish immigrants in the Netherlands and their impact on the Dutch labor market. The second and third interview has been conducted with representatives of the Dutch Polish Business Council in the Netherlands and Economical Department of the ING Bank. These bodies carry out their own research on the topic of Polish immigrants in the Netherlands and economic relations between Poland and the Netherlands. They helped in getting information on the impact of the Poles on the labor market in the Netherlands, information on the economic relations between the Netherlands and Poland, and in general Central and Eastern Europe. The next interview has been conducted with the director of the association of temporary work agencies (Algemene Bond Uitzendondernemingen – ABU). Subsequent interviews have been discussions with Polish and Dutch work agencies in the Netherlands and with Dutch companies hiring a significant number of Polish immigrants.

Due to the number of studies carried out in the years 2004-2007, I decided to focus on the years of the global financial crisis, in particular 2008-2012. In a chapter titled “A van full of Poles: Liquid migration from Central and Eastern Europe” published in the book “A Continent Moving West? EU Enlargement and Labor Migration from Central and Eastern Europe” in 2010, the authors conclude their investigation on the impact of CEE labor migration on the Dutch labor market and ask for follow-up research regarding the times of economic recession. This was the reason for choosing the period of the global financial crisis and thus economic downturn in the Netherlands. This will also help further in identifying potential differences in the impact between the initial years after the EU East enlargement and the years of economic recession in the Netherlands.
II. Characteristics of Polish immigrants in the Netherlands

According to the Dutch Population Register immigration is a movement of people to the Netherlands from another country. However, to be indicated as an immigrant, one has to be included in the municipal population register (Gemeentelijke Basisadministratie, GBA) as having the intention to stay in the Netherlands for a minimum period of four months\(^53\).

The first step in order to answer the research question of this thesis is to gain more insight in the migration data of Poles to the Netherlands. However, not only general data, but also detailed characteristics of the Polish immigrants in the Netherlands will be needed. As mentioned above, according to Constant and Zimmermann, the characteristics of the people who enter the country firmly influence the impact of the immigration on the national labor market. In this section the most significant characteristics from the perspective of this research will be discussed, such as age and gender of immigrants and level of their education. Moreover, motives behind the migration of Poles to the Netherlands will be presented and discussed. In this chapter I present the immigration figures available from the period under investigation.

The first and the most significant question is of course how many Polish people live in the Netherlands. This question is, however, very difficult to answer. There are few sources on the number of Poles in the Netherlands, but they are divided into subsets. There is thus no complete picture of the Polish population in the Netherlands. According to the Central Statistical Office in Poland (Główny Urząd Statystyczny, GUS), in 2011, there lived almost 106,000 Polish people in the Netherlands. That accounts for 5.2% of all Polish émigrés\(^54\). This number represents Poles emigrated for a period longer than three months. According to another data source, the Dutch Population Register (CBS), in 2011, there lived 66,634 Poles in the Netherlands\(^55\). This noticeable difference may be caused by the fact that not all Polish people living in the Netherlands are included in the municipal population register (GBA). A large number of Polish people decide not to register because of unclear plans regarding their future in the Netherlands. The Dutch population register also presents more recent data regarding the number of Poles in the Netherlands. For 2013,


\(^{54}\) Polish Central Statistical Office, International Migration, National census of population and housing in 2011

the number is 86,541. Below I present a table regarding the number of Poles in the Netherlands in the period under investigation.

Table 2.1 Polish population in the Netherlands

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>2008</td>
<td>42,055</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>51,081</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>58,062</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>66,634</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>78,242</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>86,541</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on CBS

As shown in the table, the number of Polish people included in the GBA steadily increases. Yet, as mentioned above, this numbers represents only a part of Poles living in the Netherlands. Several studies take into account other sources and try to assess the total number of Poles staying in the Netherlands. The earlier mentioned work by Godfied Engbersen, Erik Snel and Jan de Boom used statistics relating to temporary work permits issued to residents of Poland. However, after 2007, Polish immigrants no longer require a work permit, thus this source became useless. Andre Corpeleijn made use of data based on payroll taxes\(^5^6\). On the basis of the nationality of the payroll tax that employers submit to the tax authorities, he came to the number of immigrants from CEE countries living in the Netherlands. According to his research, in September 2008 there were about 90,000 Polish workers in the Netherlands. However, 46% of them had at this time an address in this country. This means that 54% (about 50,000) of Polish people worked in the Netherlands but were not included in the GBA. Important to say is that the number of Polish migrants in the Netherlands varies depending on the season. In the summer months, the number of Poles in the Netherlands is the highest.

If we follow the path of Corpeleijn, we can assume, that the number of Poles in the Netherlands in 2011 indicated by the Polish GUS (106,000) could be the outcome of the number presented by the

Dutch CBS (66.634) adding about 50% of this number of Polish people not included in the GBA. This calculation gives us a similar result.

Furthermore, significant to mention is also the fact that also Polish people with an address in Poland, owning, however German passport, commonly called the ‘German’ Poles live in the Netherlands, too. According to Corpeleijn, in 2008 there lived about 7.000 to 8.000 ‘German’ Poles in the Netherlands\(^{57}\). The author came to this number using the method of collecting data based on payroll taxes. However, he mentioned that this number is an underestimation.

Another group of Poles in the Netherlands is the self-employed group. According to Weltevrede\(^{58}\), in 2009 there were about 9000 self-employed Polish people in the Netherlands registered in the Chamber of Commerce (Kamer van Koophandel, KvK). However, most of them were already registered in the GBA. What is more, not all entrepreneurs register themselves in the Dutch KvK, a number of them are still registered only in the Chamber of Commerce in their home country.

In fact, looking at data based on GBA, payroll taxes and KvK the number of Poles in the Netherlands is still incomplete. There are also people which do not work, or which due to other reason do not appear in any register in the Netherlands. In order to come to one number many estimations have been done. Weltevrede did this in 2008, and came to the number of 150.000. He combined the data from GBA, the estimated number of Poles not registered in the municipal population register, and the estimated number of the ‘German’ Poles in the Netherlands\(^{59}\). The estimation made in 2011 based on the number of first generation Poles in the Netherlands included in the GBA, and the number of Polish workers not included in the municipal population register. The authors of this estimation came to the number of 136.000 Polish people which lived in the Netherlands on 1\(^{st}\) January 2011\(^{60}\).

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\(^{59}\) Ibid.
Furthermore, according to Janusz Wołosz, First Secretary at the Embassy of the Republic of Poland in The Hague, there live about 175,000 Polish people in the Netherlands\textsuperscript{61}. Wołosz based his assumptions on the CBS’ publication called Migrantenmonitor investigating the number of immigrants from EU-26, EU-10 and candidate countries.

In consequence, all the numbers seem to be only estimates due to the fact that it is difficult to say how many Polish people do not appear in any registers. Estimates for the total number of Poles in the Netherlands vary greatly. In this thesis I will refer to all Polish immigrants living or living and working in the Netherlands.

Due to the period under scrutiny, the characteristics of the Polish people in the Netherlands I am going to discuss next will focus on the immigrants which registered themselves in the municipal population register after 2003. This method seems the most adequate for the examination of the impact of Polish immigrants on the Dutch labor market in the time of global financial crisis, thus between 2008 and 2012, because of the fact that many Poles come to the Netherlands for a period of a few years. There is a possibility that Polish immigrants that came before 2004 have already left. Moreover, the biggest number of Polish workers came to the Netherlands after Poland joined the European Union, and after the opening of the Dutch labor market on 1\textsuperscript{st} May 2007\textsuperscript{62}. According to CBA, in 2003, 20,095 Polish citizens have been registered in the GBA. This number increased, and in 2006 there were 30,018 Polish people with an address in the Netherlands. This number significantly increased after the opening of the Dutch labor market in 2007. In 2010 there were 58,062, and in 2012, 78,242 Poles registered in the GBA\textsuperscript{63}.

In order to present detailed characteristics I make use of the study published by the Social and Cultural Planning Office in the Netherlands (Social en Cultureel Planbureau) and the SING rapport (Survey integratie nieuwe groepen, eng. Survey integrating new groups)\textsuperscript{64}. The survey was conducted between Polish people in the Netherlands who registered in the GBA in 2004 or later, thus about 40,000 people. The study aimed to examine the situation of Poles in the Netherlands.

\textsuperscript{61} Interview ‘a’ with Mr. Janusz Wołosz, Second Secretary - political affairs, press contacts, Embassy of the Republic of Poland in The Hague, 06.08.2014, The Hague
\textsuperscript{62} J.Dagevos, Poolse Migranten, 2011, 26
\textsuperscript{63} http://statline.cbs.nl/StatWeb/publication/?DM=SLNL&PA=70648NED&D1=1-2&D2=a&D3=0-2,7,38&D4=0&D5=7-17&HDR=T,G3&STB=G1,G2,G4&VW=T (Access June 2014)
\textsuperscript{64} J.Dagevos, Poolse Migranten, 2011, 26
and to answer the question whether the Poles will stay in the Netherlands, plan to return to Poland, or move to another country. Moreover, this is the only available study widely detailed and focused on Polish immigrants in particular.

II.1 Motives of migration
The dual labor market theory says that significant part of migrants enter country with the labor motive. To see whether the predictions of the theory coincide with the migration of Poles to the Netherlands, below I present broad data collection on motives of migration among Poles.

The reasons why Polish people migrate to the Netherlands changed over the last decades. In the 1990s, family migration was the most common cause of migration. The well-known term of ‘Polse bruiden’ (‘Polish brides’), referred to Polish women which came to the Netherlands to marry a native man. Willingness to work was a rarely given reason for migration then. However, this began to change through the years. Since 2000, this reason was becoming more frequent. Only in 2009, nearly three quarters of Polish men and 60% of Polish women came to the Netherlands with the intention of finding a job. Among other motives, family migration and education are still very often reasons to leave the mother country. Yet, the share of the latter has been decreasing since 2000.

According to the SING rapport, there are four main categories of Polish immigrants in the Netherlands: 1) Labor migrants, defined as persons willing to work in the Netherlands, 2) Following migrants which come to the Netherlands together with partner or parent, or/and due to the desire of marriage with Polish partner living in the Netherlands, 3) Family creation which include unmarried persons that migrate to the Netherlands due to desire of family formation with an inhabitant of the Netherlands (either Dutch or a former immigrant), and 4) Other is the last category which includes people who came to the Netherlands with such motive as study, medical treatment, political motives or avoiding military service. Below I present a table with exact percentages according to motive of migration.

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65 J.Dagevos, Poolse Migranten, 2011, 36
66 Ibid.
67 Ibid. 42
Table 2.2 Migration typology, Polish migrants registered in the GBA after 2003, in percent, 2009

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor migrants</td>
<td>63</td>
<td>81</td>
<td>46</td>
</tr>
<tr>
<td>Following migrants</td>
<td>13</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Family creation</td>
<td>12</td>
<td>1</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: SCP (SING’09)

Table 2.2 shows some interesting patterns. The share of Polish immigrants registered in the GBA after 2003 with a labor motive is high and amounts to 63%. Moreover, 81% of Polish men came to the Netherlands with the motive to work. The same amounts to 46% for women. Moreover, 36% of Polish immigrants arrived to the Netherlands for family creation, family reunion, or due to other reason.

Collected data on motives of migration among Poles in the Netherlands presented above confirm with the predictions of the dual labor market theory saying that significant share of migrants enter country with the labor motive.

II.2 Age and gender of migrants

As mentioned above, in this thesis I concentrate on the Polish immigrants which arrived to the Netherlands after year 2003. In order to present data on the age of immigrants, I make use of the SING report described above. Authors of the report questioned Polish immigrants registered in the GBA after 2003. At the time of conducting the survey, thus on 1 January 2010, it concerned 38.398 Polish immigrants. This was about half of the registered persons from Poland in the GBA at that time (77.000). Table 2.3 shows the breakdown by age and gender.
Table 2.3 Structure of the population of Polish immigrants and native Dutch by sex and age, 1 January 2010, in percent

<table>
<thead>
<tr>
<th></th>
<th>Polish immigrants registered in the GBA after 2003</th>
<th>Natives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man</td>
<td>50.8</td>
<td>49.5</td>
</tr>
<tr>
<td>Women</td>
<td>49.2</td>
<td>50.5</td>
</tr>
<tr>
<td>0-14</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>15-24</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>25-44</td>
<td>62</td>
<td>25</td>
</tr>
<tr>
<td>45-64</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>&gt;65</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Total  (absolute numbers)</td>
<td>38.398</td>
<td>13.215.386</td>
</tr>
</tbody>
</table>

Source: J.Dagevos, Poolse Migranten, 2011, p.42

The table shows that 62% of the Polish immigrants in the Netherlands which arrived after 2003 are between 25 and 44 years old. That is a great part. Furthermore, if taking into consideration the group of Polish immigrants in the working age (in Poland; men between 18 and 65 years of age; women between 18 and 60 years of age), it can be assumed that about 75% of Polish immigrants registered in the GBA after 2003, and about 70% of the total number of Polish immigrants registered in the GBA are potentially able to work. A further significant observation from the perspective of this thesis is that the short time registered group counts a small number of people older than 65 years, and thus of retirement age.

This data can be significant when determining the effects of Polish immigrants on the Dutch labor market due to the fact that not all immigrants are allowed or capable to work. The great percentage of the young Polish immigrants can be important due to their attractiveness as long-term workers. Emigration at a lower age results in better adaptation to the new living place, and higher economic opportunities. In fact, 89% of the Poles registered in the GBA after 2003 are younger than 45 years. This figures seem logical in the situation of labor migration when migration is mainly driven by economic reasons.
Furthermore, regarding the gender of migrants it can be of significance when considering participation on the labor market. In the Netherlands men still have a higher labor participation rate than women.\(^68\)

Nevertheless, if looking at data in table 2.1 on migration typology, very significant information regarding the gender of Polish immigrants can be seen. 81% of all men which came to the Netherlands and registered in the GBA after 2003, immigrated to the Netherlands with the motivation to work. The same applies to 46% of Polish women. This figures are of importance when looking at the participation of Polish immigrants in the labor market and hence their impact on this.

**II.3 Educational level**

The educational level of the Polish immigrants is a significant variable when investigating Dutch labor market effects. In this subsection I will present and discuss educational level data of the recently emigrated (after 2003) Poles. Almost all Polish people in this group do not follow any education anymore.

The dual labor market theory states that immigrants arriving to the country of destination have low level of skills and work in the secondary sector of the labor market. From the data presented below I can see whether it is true or not in the case of Polish people living in the Netherlands.

Data from 2009 shows that 22% of Poles registered in the GBA after 2003 have finished their education at the primary level. As compared to only 7% of the Dutch. 34% of Polish immigrants have a school-leaving diploma at the level of secondary vocational education (Middelbaar beroepsonderwijs, MBO), general secondary education (Hoger algemeen voortgezet onderwijs, HAVO) or pre-university education (Voorbereidend wetenschappelijk onderwijs, VWO). 20% have a higher education diploma (Hoger beroepsonderwijs, HBO or Wetenschappelijk onderwijs, WO). For natives, this numbers are 42% and 28% respectively. Below I present a figure showing the percentage of Poles and natives at particular education level.\(^69\)

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\(^69\) Figure 2.1 is based on data found in J.Dagevos, Poolse Migranten. De positie van Polen die vanaf 2004 in Nederland zijn komen wonen, Sociaal en Cultureel Planbureau, Den Haag, 2011
Figure 2.1 Realized education level in the group of no attending school 15-64 year old Poles (arrived after 2003) and native Dutch, in percent, 2009

Source: J.Dagevos, Poolse Migranten, 2011, p.48

When comparing educational level of the recent Polish immigrants to the other four biggest non-western migration groups in the Netherlands, Poles are much better educated than the Moroccans and the Turks, and likewise educated to the Surinamese group of immigrants.

More interesting facts disclosed in the SING report regarding the education level of Poles in the Netherlands is that women are significantly higher educated than men. Greater number of Polish women than men completed higher education (hbo/wo), whereas Polish men more often finished their education at the lower level (maximum bao, vbo/mavo). Furthermore, labor migrants (more often men) are lower educated than migrants that came to the Netherlands with another motive such as family creation with the native (in almost all cases women). Another fact from the SING report is that in the youngest group of Polish immigrants in the Netherlands between 15-24 years old, 42% have finished school only at the primary level, and only 4% can boast a higher school degree. The highest educated group is the one between 24 and 34 years old in which 17% finished their education at the primary level and 31% have a higher education diploma. According to Jaco Dagevos, the reason for high percentage of low educated Poles can be the fact that significant share of Poles that come to the Netherlands are between 15 and 24 years old. This group of young people

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70 J.Dagevos, Poolse Migranten, 2011, 48
arrives before finishing any school at the higher level due to the possibility to find work in the Netherlands for unskilled labor at relatively high wages. Possible situation is that this young people come to the Netherlands in order to find seasonal work and after that plan to follow further education when returning to Poland\textsuperscript{71}.

As the previous variables discussed above, also the educational level is significant when investigating Polish immigration effects on the labor market. The dual labor market theory predicts that the average immigrant finished education at the low level. As presented above, it turned out that a big part of the Polish immigrants group from the SING report finished their education at primary or secondary level. 20\% consist of highly educated Poles. This outcome may influence the position of the Poles on the Dutch labor market and hence also the position of the natives on the very same.

Data from 2009 shows that 22\% of Poles registered in the GBA after 2003 have finished their education at the primary level. Furthermore, 34\% of Polish immigrants have a diploma from a school at the level of secondary vocational education (Middelbaar beroepsonderwijs, MBO), general secondary education (Hoger algemeen voortgezet onderwijs, HAVO) or pre-university education (Voorbereidend wetenschappelijk onderwijs, VWO). 20\% a have higher education diploma (Hoger beroepsonderwijs, HBO or Wetenschappelijk onderwijs, WO). Looking at the results, 22\% of Poles in the Netherlands can be identified as low educated. This would indicate that the theory cannot explain the profile of Polish immigrants. Yet, labor migrants (more often men) are lower educated than migrants that came to the Netherlands with another motive such as family creation with the native\textsuperscript{72}. From this it can be deducted that Polish labor migrants working in the Netherlands are in most instances low educated. What is more, within the youngest group of Polish immigrants in the Netherlands between 15-24 years of age, 42\% have finished school only at the primary level\textsuperscript{73}.

According to yet another source, Polish people living in the Netherlands are relatively well educated; 66\% finished secondary education and 18\% higher education\textsuperscript{74}. The study by

\textsuperscript{71} J. Dagevos, \textit{Poolse Migranten}, 51
\textsuperscript{72} Ibid., 48-51
\textsuperscript{73} Ibid.
\textsuperscript{74} Netherlands Polish Council for Trade Promotion, “Polish labor migration”, 2011, 8
Weltevrede from 2009 specifically under Polish labor migrants showed again a different picture. According to the author, only 5% of the respondents completed their education at the low level and 20% of them have a diploma of higher education. To conclude, the results depend strongly on the researched group (Polish people registered in the Municipal Administration (GBA) versus temporary workers) and research design (national sample versus research in places where many Poles come together). In this case, it is difficult to state whether the results are in line with the dual labor market theory.

This section has provided an overview of immigration figures of Poles to the Netherlands in the years considered in this thesis, as well as significant characteristics of Polish immigrants important in order to investigate possible impact on the Dutch labor market. To conclude this chapter, I will give a short overview of the most significant outcomes.

Despite the difficulty of specifying the number of Polish people in the Netherlands, one information seems important. According to the Dutch Population Register, the number of Polish immigrants in the Netherlands, included in the municipal population register has increased between 2008 and 2013 from 42,055 to 86,541. That is about 100% in five years. However, not all Polish immigrants register themselves in the GBA, and that is why the assumptions on the total number of Poles noticeably differ.

Regarding the motive of migration, since 2000, the willingness to work has become the most frequent reason for Polish people to leave the mother country and move to the Netherlands. In 2009, almost 75% of men and 60% of women decided to migrate to the Netherlands in order to work. The other three main categories in regard to the motive of migration are: following migrants, family creation and other. Information regarding the motives of migration may be useful when determining the economic effects of immigration. A group of immigrants with a labor motive may have a higher economic value than a group of immigrants with a social motive. The labor migration motive group comprises 63% of a total number of Poles that arrived and registered in the GBA after 2003.

Most Polish immigrants turn out to be rather young. 62% of them are between 25 and 44 years old. Furthermore, 75% of Poles that arrived and registered in the GBA after 2003 are potentially able

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to work (between 18 and 60 years old for women and 65 for men). The great percentage of the young Polish immigrants can be important due to their attractiveness as long term workers. With regard to gender, 81% of all men which came to the Netherlands and registered in the GBA after 2003 immigrated to the Netherlands with the motive to work. The same applies to 46% of Polish women. This figures are of importance when looking at the participation of Polish immigrants on the labor market and hence the impact on the Dutch labor market.

The educational attainment was the last factor in this section. The level of education of Polish immigrants is lower than of the natives. The last significant information with regard to the level of education is that Polish women are significantly higher educated than Polish man, and that labor migrants (more often men) are lower educated than migrants that came to the Netherlands with another motive such as family creation.

III. Position on the labor market

Migration can have a great influence on unemployment rates and for that reason it is a starting point for this chapter. According to the Dutch Population Register\(^{76}\) a person is indicated as an unemployed when this person is in the age between 15 and 64 and is willing to take a position for at least 12 hours per week. People working already for a maximum time of 12 hours per week and looking to extend their working time are also indicated as an unemployed member of the working population. Below I present a graph showing the unemployment rate in the Netherlands during the years under investigation, thus, from 2008 to 2012.

Graph 3.1 Unemployed labor in the Netherlands, 2008-2012, in percent

Source: Own elaboration based on CBS data\textsuperscript{77}

As we can see the unemployment rate has been increasing starting in 2008 to reach the level of 6.4% in 2012. Furthermore, the CBS tracks unemployment data also for immigrant groups. On the CBS website, I can find information regarding the unemployment rate among the natives, immigrants with a Western nationality and immigrants without a Western nationality including Polish nationals (see graph below).

\textsuperscript{77} \url{http://statline.cbs.nl/Statweb/publication/?DM=SLNL&PA=71882ned&D1=16-17&D2=a&D3=0&D4=a&VW=T} (Access June 2014)
Graph 3.2 Unemployed labor force in the Netherlands by origin, 2008-2012, in percent

Source: Own elaboration based on CBS data

It is clear to see that unemployment reached the highest number in the group of non-Western immigrants. Regarding the natives, 3.1% in 2008 and 5% in 2012 of the labor force in the Netherlands with the Dutch nationality was indicated as unemployed. Moreover, in all the groups besides the natives (small decrease in 2011), unemployment continued to grow. Unfortunately, the CBS does not publish any data regarding specific groups of immigrants from Central and Eastern Europe. Regarding Polish labor migrants, in the recent years, there have been several studies conducted regarding the position of the Poles on the Dutch labor market such as one by Schothorst and Weltevrede et al. They came to the conclusion that almost every Polish immigrant has a paid job, works in construction or horticulture and that the major part has temporary employment, often through an employment agency. However, this studies have been

80 A.M.Welteverde, Arbeidsmigranten uit Midden-en Oost Europa, 2009
conducted mostly among temporary labor migrants which came to the Netherlands for a short period of time in order to find seasonal work. On the contrary, the SING report has been conducted among Polish immigrants that arrived and registered in the GBA after 2003 and as such among immigrants who stay in the Netherlands longer than four months. Because of the scarcity of literature focused only on Polish immigrants and widely discussing their profile, in this thesis I make use of the report by SING. However, writing about Polish immigrants I am referring to all Poles living or living and working in the Netherlands. Below I present data from the SING report, however, when available, I am also presenting results of other studies such as the one by Schothorst and Weltevrede.

III.1. Unemployment
According to the SING study, in 2009 13% of the Polish immigrants that arrived to the Netherlands and registered in the GBA after 2003, thus, staying in the Netherlands for a longer period than four months were unemployed. This number differs greatly from the one given by Schothorst and Weltevrede due to the fact that the SING study has been conducted not only among labor migrants but also among migrants that came to the Netherlands with a different motive, such as study or family creation. These are naturally more often unemployed than migrants that came to the Netherlands with their main motive being to work. Furthermore, the study by SING shows that the unemployment rate among Poles is about three times higher than in the group of natives. Moreover, when dividing this data by gender, Polish men are about three times more often unemployed than native men. In the case of women that is four times more often than native women. It is worth noting that in the group of young people, unemployment also reached a high percentage. Regarding their level of education, highly educated as well as low educated face problems with finding a job. The study shows that often one having a higher education diploma has bigger trouble finding a job on the Dutch labor market than one with a lower education diploma. This can result from the fact that an important part of the work that Poles perform is situated in the lower layers of the labor market. The following table presents the detailed results of unemployment among Poles.

81 J.Dagevos, *Poolse Migranten*, 2011, 65
82 Ibid.
Table 3.2 Unemployment among Poles arrived and registered after 2003, in percent, 2009

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of Poles</td>
<td>13</td>
</tr>
<tr>
<td>Men</td>
<td>10</td>
</tr>
<tr>
<td>Women</td>
<td>16</td>
</tr>
<tr>
<td>15-24 years old</td>
<td>19</td>
</tr>
<tr>
<td>25-34 years old</td>
<td>13</td>
</tr>
<tr>
<td>35-44 years old</td>
<td>9</td>
</tr>
<tr>
<td>45-54 years old</td>
<td>4</td>
</tr>
<tr>
<td>Maximum bao</td>
<td>12</td>
</tr>
<tr>
<td>Vbo/mavo</td>
<td>7</td>
</tr>
<tr>
<td>Mbo/havo/vwo</td>
<td>10</td>
</tr>
<tr>
<td>Hbo/wo</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: J.Dagevos, Poolse Migranten, 2011, p. 66

Another distinction between Polish immigrants in regard to unemployment is migration typology. The SING study shows that unemployment between Poles who came to the Netherlands as following migrants or with the motivation to create a family is higher than among labor migrants. Furthermore, Poles who live in the Netherlands for three years or shorter are more often without a job (15%) than the ones who live here between four and six years (10%)\(^{83}\). This is probably caused by greater integration of Poles who live in the Netherlands for a longer period.

Polish immigrants which are unemployed and have trouble finding work have responded to a question what is in their opinion the reason for this situation. Their answer was often a dismissal or expiry of the work contract\(^ {84}\). This can be seen behind the high unemployment among labor migrants presented above.

Furthermore, there has been another study that also showed high unemployment numbers. Authors of the “Oost-Europeanen in Nederland. Een verkenning van de maatschappelijke positie van

\(^{83}\) J.Dagevos, Poolse Migranten, 2011, 66
\(^{84}\) Ibid., 68
migranten uit Oost-Europa en miganten uit voormalig Joegoslavie” examined the unemployment among Polish immigrants registered in the GBA between 2000 and 2006, and came to the average number of 12%.\textsuperscript{85} There are, thus, no significant differences between these two studies done in different periods. Still, there are also studies showing a rather different image. A study conducted by the Erasmus University presents, a much lower unemployment rate of 4%\textsuperscript{86}. Such a different outcome can be the result of differently selected research groups as the authors were approaching Poles in places such as their workplace and well-known meeting places. This probably influenced the outcomes.

\textbf{III.2. Net Participation to the labor market}

Besides the unemployment among Polish immigrants, another significant indicator of their market labor position called net participation must be discussed. Net participation expresses the number of people between 15 and 65 years of age that have a paid job of at least 12 hours per week (labor force). One not having a job of at least 12 hours per week is not by definition unemployed. Only when one is actively searching for a job of 12 hours per week or more, does he/she become part of the unemployed labor force. This applies to students, housewives and disabled people who are not always actively looking for a job due to their health issues or other activities such as studying. They are thus, according to this definition, not counted as unemployed. The denominator on which unemployment rates are calculated is considerably smaller than the denominator for net participation\textsuperscript{87}.

The percentage of Polish immigrants with a paid job in the Netherlands in 2009 was at a similar level to the one of natives. This stands in contrast to the unemployment numbers from the same year. The reason for this is the above mentioned different way of measurement. Further available data regarding net participation of Polish immigrants comes from 2011\textsuperscript{88}. However, this survey was carried out among Polish immigrants staying in the Netherlands for a short period. The study is based on information from a survey held among Poles within eighteen months after they enrolled


\textsuperscript{86} M. Ilies, G. Engbersen, E. Snel, A. Leerkes, \textit{Diverse Migration Patterns. Contemporary Polish, Romanian and Bulgarian labour migrants in Dutch society.}, Rotterdam: Erasmus University

\textsuperscript{87} J. Dagevos, \textit{Poolse Migranten}, 68

\textsuperscript{88} M. Gijsberts, \textit{Nieuw in Nederland}, 75
in the Dutch population register. The study shows that the majority of recent migrants from Poland comes as labor migrants to the Netherlands (this data is again in line with the predictions of the dual labor market theory). They often have a paid job; this applies to 84% of Poles shortly after migration. Moreover, when compared to other immigrant groups, net participation of Polish immigrants is much higher than of the Moroccan group (50%) or the Surinamese group (63%).

Regarding men and women, net participation results from 2009 and 2011 are similar. The net participation of women is much lower than of men. The same applies to 2011 and immigrants who live in the Netherlands for a short period of time. Furthermore, in 2009, Polish people with the highest education level faced the most difficulties finding a job. Moreover, also the number according to the migration reason show some interesting findings. Migrants who came to the Netherlands following their family members and migrants who arrived to marry a native had in both 2009 and 2011 least often a paid job. This stands in contrast to labor migrants. In 2009, 75% of them had a job, in 2011 this number reached 89%. Looking back at the migration typology (page 20) and looking that high number of 63% of the total number of Polish immigrants and 81% of Polish men in the Netherlands are labor migrants, it means that almost all of them have a job in the Netherlands and hence have an impact on the Dutch labor market. Below I present a table comparing the available data regarding net participation from 2009 and 2011.

Table 3.3 Net participation of Polish immigrants (2009, 2011) and natives (2009), in percent

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>69</td>
<td>70</td>
<td>84</td>
</tr>
<tr>
<td>Men</td>
<td>77</td>
<td>78</td>
<td>91</td>
</tr>
<tr>
<td>Woman</td>
<td>62</td>
<td>62</td>
<td>75</td>
</tr>
<tr>
<td>Maximum bao</td>
<td>61</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vbo/mavo</td>
<td>73</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>Mbo/havo/vwo</td>
<td>76</td>
<td>-</td>
<td>82</td>
</tr>
<tr>
<td>Hbo/wo</td>
<td>70</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor migrants</td>
<td>75</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>Following migrants</td>
<td>43</td>
<td>-</td>
<td>55</td>
</tr>
<tr>
<td>Family creation with a native</td>
<td>57</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
As mentioned before, more studies regarding unemployment and net participation have been conducted. In the research done by Weltevrede in 2009 the results showed that almost all Polish immigrants have a paid job in the Netherlands\(^9\). However, the study has been conducted in areas where many Polish people live and work and thus the research group consisted primarily of persons that came to the Netherlands as temporary labor migrants. The result of another study carried out for the Polish newspaper and website in the Netherlands PoPolsku was that 90\% of Poles in the Netherlands do work\(^9\). On the other hand, studies carried out among Polish immigrants registered in the GBA show much lower percentages. For the period 2000-2006 it was 60\%\(^9\). What is more, according to the Social Statistical Database (Sociaal Statistisch Bestand, SSB)\(^9\) 57\% of Polish immigrants between 15 and 65 years old were an employee in 2009.

To conclude, the percentages regarding net participation differ depending on the research group, thus, either the temporary labor migration group or Polish immigrants registered in the GBA and living in the Netherlands for longer period than four months. Temporary labor migrants come to the Netherlands in order to work. Finding a job in the Netherlands is their main motivation for leaving the home country, and that is showed in the results of the studies carried out in the areas where many Polish people live together. In the study among Poles registered in the GBA the numbers are lower. The position of the Polish immigrants on the Dutch labor market is thus according to Jaco Dagevos and his study less optimistic than what other studies estimated. Immigrants from Poland registered in the GBA have less often a paid job and are more often unemployed. The reason for unemployment among Poles is often employer’s resignation from cooperation. Reasons for not actively looking for a job are often health, study/school and taking care of the children.\(^9\) It this thesis I refer to all Polish immigrants in the Netherlands, however, the importance on the labor migrants seems most logical when investigating the impact on the

\(^90\) Y. Schothorst, *Poolse nieuwkomers in Nederland*, 2009
\(^91\) J. de Boom, *Oost-Europeanen in Nederland*, 2008
\(^93\) J.Dagevos, *Poolse Migranten*, 70-71
labor market. That is also the reason why I presented different outcomes with regard to the unemployment rate and net participation rate of Poles in the Netherlands.

III.3. Unemployment benefits
The next important subject to discuss is the reliance on unemployment benefits among the Poles in the Netherlands as it greatly determines their contribution to the Dutch economy. Every Pole legally working in the Netherlands is obligated to pay social security fees monthly. However, not every worker makes use of it in the form of unemployment benefits. The amount not used is the contribution to the Dutch budget. Moreover, according to the authors of the report “Contribution of the Polish labor migration to the Dutch economy”, Poles living in the Netherlands positively contribute to the Dutch economic growth; +0.31% or 1.8 billion euro per year. Furthermore, during their stay in the Netherlands they provide a contribution to the Treasury of 1.2 billion euro. With regard to the demands placed on social care, demand by Poles is much lower than that of other non-Western immigrants.94

According to the Institute for Employee Insurance (Uitvoeringsinstituut Werknemersverzekeringen, UWV) and the CBS, labor migrants from Central and Eastern Europe make little use of unemployment benefits in the Netherlands.95 With regard to the types of benefits, the same research shows that labor migrants from CEE countries make very little use of the social security benefit (bijstandsuitkering) and make more often use of unemployment benefit (ww-uitkering). The results from the SING study among Polish immigrants that came to the Netherlands after 2003 show similar outcomes. In 2009, 6% received the unemployment benefit (ww-uitkering), and 3% the social security benefit (bijstandsuitkering).96 The reason for the higher usage of the unemployment benefit (ww-uitkering) can be the fact that a significant part of Polish immigrants did work in the Netherlands, and is thus entitled to this benefit.

94 Netherlands Polish Council for Trade Promotion, Polish labor migration, 2001, 15
96 SZW, Maatregelen arbeidsmigratie uit Midden-en Oost-Europa. Letter from minister Kamp to the parliament from 14 April 2011, Ministry of Social Affairs and Employment, The Hague
III.4. Level of the job performed
In this paragraph I will present some important characteristics of Polish nationals working in the Netherlands; the level of the job they perform in the Netherlands, the average length of the contract, the sector of work, and the average number of working hours.

With regard to position the on the labor market, dual labor market theory predicts that immigrants will fill vacancies mostly in the secondary ‘labor intensive’ segment. Employers often search for flexible and motivated workers ready to fill the unstable, low status positions. As explained above, immigrant workers do not care about the status of the job as much as native workers and therefore they seem to be good candidates for secondary segment jobs. To answer the question whether these predictions of the theory are in line with the Polish immigrants in the Netherlands, I will present the above mentioned characteristics.

Regarding the level of the job Polish people perform in the Netherlands, the table below clearly shows that Poles work most often in professions that require elementary or low education.

Table 3.4 Level of job performed by the Poles that came to the Netherlands after 2003 and the natives, in percent, 2009

<table>
<thead>
<tr>
<th></th>
<th>elementary/low</th>
<th>secondary</th>
<th>high/scientific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poles</td>
<td>74</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>natives</td>
<td>36</td>
<td>33</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: J. Dagevos, Poolse migranten, 2011, p.73

When comparing Poles to the natives it is clear to see that the Dutch, in contrast to the Poles are equally divided over the three levels. Poles, in line with expectations, perform mostly jobs that require a lower level of education. The fact remains that 17% of Poles in the Netherlands work on the secondary and 9% at the scientific level.

Below I present another table where Poles working in the elementary sector have been divided by gender, age and level of education.
Table 3.5 Polish employees performing elementary level professions (arrived to the Netherlands after 2003) and natives divided by background characteristics, in percent, 2009

<table>
<thead>
<tr>
<th></th>
<th>Poles</th>
<th>natives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>74</td>
<td>36</td>
</tr>
<tr>
<td>Men</td>
<td>79</td>
<td>33</td>
</tr>
<tr>
<td>Women</td>
<td>69</td>
<td>39</td>
</tr>
<tr>
<td>15-24 years old</td>
<td>81</td>
<td>71</td>
</tr>
<tr>
<td>25-34 years old</td>
<td>70</td>
<td>20</td>
</tr>
<tr>
<td>35-44 years old</td>
<td>74</td>
<td>36</td>
</tr>
<tr>
<td>45-64 years old*</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>Maximum bao</td>
<td>91</td>
<td>63</td>
</tr>
<tr>
<td>Vbo/mavo</td>
<td>92</td>
<td>71</td>
</tr>
<tr>
<td>Mbo/havo/vwo</td>
<td>78</td>
<td>42</td>
</tr>
<tr>
<td>Hbo/wo</td>
<td>37</td>
<td>6</td>
</tr>
</tbody>
</table>

*the number of Poles aged 45-64 in the research group was too low to reliably be able to determine what proportion of them does a profession at the elementary/low level

Source: J. Dagevos, *Poolse migranten*, 2011, 74

It is notable that Polish men more often than Polish women work in low-skilled positions. Moreover, both in the lower and in the higher age groups, a high percentage of Polish people perform work at the low-skilled level. Regarding the level of education, 37% of highly educated Polish people in the Netherlands work under their qualifications. This result came out in other studies as well. However, in the study by Weltevrede from 2009 the results are slightly different. According to the author, in 2009, 80% of Polish immigrants in the Netherlands performed work on elementary/low level, 13% on secondary level and only 4% (compared to 9% in the SING research) at the high/scientific level.


III.5 Most popular sectors of the economy among Poles

According to my interviewees, most Polish immigrants in the Netherlands work in agriculture, horticulture, the industry and construction. According to Jaco Dagevos and the SING research, the highest number of Polish immigrants work in the industry sector: 24%. Furthermore, 19% of Poles work in the trade, catering and transport sectors, 17% in agriculture, 13% in the construction sector, and 13% in financial and business services. An insignificant number of Poles work in the public administration, education, health and welfare sectors, where many Dutch nationals found employment.99

However, there are studies showing entirely different results. According to the report prepared by the Netherlands Polish Council for Trade Promotion (NPCH), in 2007, 59% of Polish workers worked in the horticultural sector and the second place was taken by the production sector with 15% of Polish workers in the Netherlands. Further, according to the authors of the report, 6% worked in logistics, 3% in slaughtering. In contrast to the results from the SING report, only 2% of Polish employees work in the agricultural sector, and merely 1% in the construction sector. Other top work activities among Poles, according to NPCH are welding (3%), IT development (2%), scientific research (2%), vessel navigation (2%), food preparation (1%), catering service (1%), acting/directing/presenting (1%) and cleaning (1%).100 Furthermore, research conducted in 2009 among temporary labor migrants by Weltevrede shows that more than 50% of them work in agriculture and horticulture.101 Probably, this is characteristic for labor migrants that came to the Netherlands only for seasonal work. Moreover, often the results of the study depend on the recruitment of the respondents and because of this, they are difficult to compare. Looking at the results of above mentioned studies it can be concluded that Polish immigrants registered in the GBA work less often in the agriculture and horticulture sectors than temporary labor migrants.

III.6 Length of the contract and number of working hours

To answer the question whether Polish immigrants in the Netherlands more often sign temporary or permanent contracts, I present a table below showing the total number of Polish employees with temporary employment contract. This is further divided according to background characteristics.

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99 J. Dagevos, Poolse Migranten, 2011, 75
100 Netherlands Polish Council for Trade Promotion, Polish labor migration, 9
Table 3.6 Polish employees (arrived to the Netherlands after 2003) and natives with temporary work contracts, total and background characteristics, in percent, 2009

<table>
<thead>
<tr>
<th></th>
<th>Polish</th>
<th>Natives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>34</td>
<td>5</td>
</tr>
<tr>
<td>Men</td>
<td>38</td>
<td>5</td>
</tr>
<tr>
<td>Women</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>15-24 years old</td>
<td>37</td>
<td>21</td>
</tr>
<tr>
<td>25-34 years old</td>
<td>37</td>
<td>3</td>
</tr>
<tr>
<td>35-44 years old</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>45-64 years old*</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Maximum bao</td>
<td>61</td>
<td>5</td>
</tr>
<tr>
<td>Vbo/mavo</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>Mbo/havo/vwo</td>
<td>26</td>
<td>6</td>
</tr>
<tr>
<td>Hbo/wo</td>
<td>26</td>
<td>6</td>
</tr>
</tbody>
</table>

*the number of Poles aged 45-64 in the research group was too low to reliably be able to determine what proportion of them has temporary work contract

Source: J. Dagevos, Poolse migranten, 2011, 76

Looking at the table, it is obvious that Polish people when compared to the natives, work in the Netherlands more likely on the basis of temporary employment contracts. Thus, they do represent more flexible labor in the Netherlands than the Dutch. Furthermore, the table clearly shows no significant differences in terms of gender. A similar percentage of men and women worked in 2009 on the basis of temporary employment contracts. Moreover, looking at the age division it is clear to see that a significant number of Dutch people between 15 and 24 years of age work on the basis of temporary contracts, where among the Poles the differences are not significant. Regarding the level of education, it is evident that mostly low educated Polish people in the Netherlands have temporary employment contract.
As in the previous cases, when comparing the outcomes from the SING report with other studies, I come to a different results. According to the studies by Weltevrede\textsuperscript{102}, Corpeleijn\textsuperscript{103} and Schothorst\textsuperscript{104}, about half of Polish immigrants work as temporary employees or otherwise have a temporary job. The differences are significant. According to the SING report, about two-thirds of Polish migrants have a permanent job. The reason for different outcomes can be, as in the previous case, different way of recruitment of the respondents. Results from respondents registered in the GBA often differ from respondents that came to the Netherlands only for a seasonal work.

The last element of the position of Polish immigrants on the Dutch labor market is the average number of working hours. A study completed by Weltevrede shows that 39\% of Poles work between 40 and 50 hours per week. Moreover, 7\% work more than 50 hours per week\textsuperscript{105}. However, the outcomes of the SING report show that such long working weeks are an exception among Polish immigrants registered in the GBA. Details are to be seen in the table below.

Table 3.7 Polish people (employees and self-employed) (arrived to the Netherlands after 2003) and natives employed by working hours and gender, in percent, 2009

<table>
<thead>
<tr>
<th></th>
<th>0-19 hours</th>
<th>20-34 hours</th>
<th>35-40 hours</th>
<th>≥ 41 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polish (total)</td>
<td>13</td>
<td>14</td>
<td>63</td>
<td>11</td>
</tr>
<tr>
<td>Polish men</td>
<td>11</td>
<td>6</td>
<td>68</td>
<td>16</td>
</tr>
<tr>
<td>Polish women</td>
<td>15</td>
<td>23</td>
<td>57</td>
<td>5</td>
</tr>
<tr>
<td>Native men</td>
<td>10</td>
<td>12</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Native women</td>
<td>29</td>
<td>45</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

Source: J. Dagevos, \textit{Poolse migranten}, 2011, 77

One-tenth of Polish immigrants works more than 41 hours per week. What is more, it is clear to see that Poles work more often full time (more than 35 hours per week) than natives. The difference

\textsuperscript{102} A.M.Welteverde, \textit{Arbeidsmigranten uit Midden-en Oost Europa}, 2009
\textsuperscript{103} A. Corpeleijn, \textit{Oude en nieuwe migranten uit Oost-Europa}, 2008, 223-241
\textsuperscript{104} Y. Schothorst, \textit{Poolse nieuwkomers in Nederland}, 2009
\textsuperscript{105} A.M.Welteverde, \textit{Arbeidsmigranten uit Midden-en Oost Europa}, 2009
between men is not very significant, 84% against 78%. However, in the group of women, the difference is considerable, 26% of native women working full time against 62% of Polish women.

All things considered, Polish immigrants from the SING report form an image different from the studies where respondents are mostly Polish labor migrants that came to the Netherlands with the motive to work. The research sample in the SING study consists of Polish people that came to the Netherlands after 2003 and are registered in the municipal population register, the GBA. These are, thus, Poles living in the Netherlands for a longer period of time. Regarding this group, their net participation was in 2009 at a similar level to the natives, respectively 69% and 70%. Yet, in the same group we observe a fairly high level of unemployment – 13% in 2009. When asked about the reason of unemployment, Polish immigrants gave three most common answers. In the first group, there are people that have had a job in the Netherlands, but because of the expiry of the contract of employment or because of dismissal, lost their job. The second group includes Poles that came to the Netherlands with the goal to find a job, however, they never did. The last group consists of following migrants and Poles that came to the Netherlands in order to start a family and are facing trouble finding work. Moreover, Polish people in the Netherlands that came after 2003 and are included in the GBA do not often make use of unemployment benefits, work most often in professions that require elementary or low education and in such sectors of the economy as industry, trade, catering, transport, agriculture, construction, and in the financial and business services. A significant part of them (34% in 2009) work on the basis of a temporary work contract. Furthermore, in 2009, 63% of Poles in the Netherlands worked an average between 35-40 hours per week.

On the other hand, there is another image which is the result of studies where temporary Polish labor migrants constitute the research group. With regard to the unemployment rate and net participation rate the image of temporary labor migrants is much more favorable. Moreover, temporary labor migrants from Poland are working usually in the agriculture and horticulture sectors, most often have a temporary job and work more hours per week than an average Pole registered in the GBA. As already mentioned above, in this thesis I refer to all Polish immigrants living or living and working in the Netherlands. Yet, it is rather logical that migrants that came to the Netherlands with a motive to work have a greater influence on the Dutch labor market than migrants with motives such as study or family creation.
Returning to the theory, studies by Schothorst\textsuperscript{106} and Weltevrede et al.\textsuperscript{107} have been conducted under Polish temporary labor migrants. The authors came to the conclusion that almost every Polish immigrant has a paid job, works in construction or horticulture and that a major part has temporary employment, often and through an employment agency. Regarding the level of the job Polish people perform in the Netherlands, 74% of Poles work most often in professions that require elementary or low education. 17% occupy professions that require secondary education and 9% have a job that requires high/scientific education. What is more, divided by gender 79% Polish men and 69% Polish women work in the secondary segment requiring low education\textsuperscript{108}. What is very interesting, regarding the level of education, 37% of highly educated Polish people in the Netherlands work in jobs below their qualifications. This result came to the fore in other studies as well.\textsuperscript{109} In the study by Weltevrede from 2009 the results are slightly different. According to the author, in 2009, 80% of Polish immigrants in the Netherlands performed work on elementary/low level, 13% on secondary level and only 4% (compared to 9% from SING research) at the high/scientific level\textsuperscript{110}. All this information with regard to the position on the labor market are in line with the predictions of dual labor market theory.

IV. Dutch labor market

In order to answer the main research question, I decided to expand the scope of the analysis by conducting 14 interviews with personalities and institutions associated with the subject of immigration of Poles to the Netherlands and their impact on the Dutch labor market. Furthermore, the results of the interviews have been incorporated into a forthcoming analysis. A scheme to my own use, in which, in a schematically and simplified way, the essence of the collected information is displayed. It has several functions: obtaining overview of the main issues obtained throughout the investigation, gaining an overview of the degree of completeness of the material, understanding the variation by sub-theme within the research material, generating hypotheses about relationships

\textsuperscript{106} Y. Schothorst, Poolse nieuwkomers in Nederland, 2009
\textsuperscript{107} A.M. Weltevrede, Arbeidsmigranten uit Midden-en Oost Europa, 2009
\textsuperscript{108} J. Dagevos, Poolse Migranten, 2011, 73
\textsuperscript{109} J. Burgers, Arbeidsmigranten uit Polen, Bulgarije en Roemenië in West-Brabant, 2011
\textsuperscript{110} E. Snel, Arbeidsmigranten uit Bulgarije, Polen en Roemenië in Rotterdam, 2010
between topics and respondent characteristics, and locating abnormal cases that qualify for specific analysis\textsuperscript{111}. By means of such a scheme, it is therefore possible to process the collected material.

As a researcher, I at times struggled to gain access to relevant interviewees. However, I managed to carry out 14 interviews with people representing institutions, organizations, work agencies and Dutch companies hiring significant number of Polish workers. In annex 1, I present a list of the interviews. However, some of my interviewees wished to remain anonymous so I do not reveal their information. The interviews have been divided into themes: acquaintance with the interviewee, general information about Polish immigrants in the Netherlands, employment history of Polish immigrants in the company, Polish workers in the company now, and impact on the Dutch labor market before and during the economic recession in the Netherlands. In making appointments, respondents have been informed how much time the interview will take. Prior to the interview, a brief introduction to the study and the interview has been given, the respondent has been informed about the way the interview will be processed, anonymity of the respondent has been offered and the respondent has been asked permission to record the conversation. Upon completion, the respondent has been asked whether he/she had any questions or comments on the interview. In this chapter, I would like to present my own analysis and conclusions based on the interviews and additional studies and reports. Moreover, in this section of my thesis, I will further use the theory and answer the question whether its predictions are in line with the case of Polish migration to the Netherlands.

**IV.1 Dutch labor market**

To determinate the effects of Polish immigration to the Netherlands on the Dutch labor market, an analysis of this will be needed first. Because labor markets evolve, the impact of immigration on employment opportunities and wages of existing workers is always time and context specific. This indicates that the results of empirical research only apply to the place and time under consideration, in this case the Netherlands in the period between 2008 and 2012.

In this chapter I will discuss, inter alia, demand for and supply of labor and the match between these two. To present this information, I refer in a large extent to the labor market prognosis for the years 2008-2013 made by the Centrum voor Werk and Inkomen (The Centrum of Work and

Income, CWI). CWI provides annual labor market prognosis, which also describes major labor market trends in the subsequent years. The report pays attention to national developments and particular sectors, regions, levels of education and branches. The purpose of the research is to enlarge the transparency of the Dutch labor market and thus contribute to the work of CWI, the Uitvoeringsinstituut voor Werknemersverzekeringen (National Social Insurance Institute, UWV) and municipalities. The Dutch labor market forecast by CWI is also used for policy making by municipalities, UWV and the Ministry of Social Affairs and Employment. In addition to the published reports, the CWI is the most important provider of information on labor market issues\textsuperscript{112}. The second significant provider of information regarding the demand for and supply of labor in this section are the reports by the Sociaal en Cultureel Planbureau (Social and Cultural Planning Office) in the Netherlands.

The labor market consists of two main parts: labor demand and labor supply. Demand for labor is measured in full time jobs and it is determined by domestic production (GDP). Higher GDP leads – with all other things being equal - to more jobs. In addition, labor matters. An increase in labor productivity means that GDP can be produced with less full time jobs. The actual number of jobs is affected by the preferences of Dutch part time employees. By working part time the actual number of jobs exceeds the number of full time jobs\textsuperscript{113}.

The supply of labor consists of people who work or will work for a minimum of twelve hours a week (the labor force). This labor force depends on the (labor) participation rate of the population aged 15 to 65 years. Part of the population does not participate in the labor market because of other activities (childcare, education etc.). This brings the rate to about 70%. Supply and demand of labor do not match each other. This is reflected in unemployment and available jobs. In a situation where supply of labor is greater than the demand for it, unemployment occurs. Conversely, when demand for labor is greater than its supply, there are vacancies. In a booming economy, the number of vacancies rises quickly. Jobs and unemployment occur at the same time due to the fact that supply and demand qualifications do not exactly correspond to each other. Moreover, the labor market is not fully transparent. Supply does not fully reflect the demand and conversely. Furthermore, supply and demand in the labor market affect each other. In a recession - high

\textsuperscript{112} CWI Arbeidsmarktprognose 2008-2013, Amsterdam, 2008
\textsuperscript{113} Ibid., 9-12
unemployment and few job-estimated employment opportunities are low. Part of the population no longer participates on the labor market (‘discouraged worker effect’). The participation rate decreases. Conversely, a booming economy encourages people to enter the labor market and participation rate on the labor market grows. If in the period of growing economy not enough people participate in the labor market, staff shortages may occur. This shortage of supply may act as a brake on the growth of production and negatively affect the demand for labor (number of jobs)\textsuperscript{114}.

Hence, economic development is a significant factor for the labor market. The labor market forecast by the CWI is in line with the economic expectations of the Central Planning Bureau (CPB). In the Central Economic Plan 2008, the CPB expected an economic growth of 2.25\% in 2008 and 1.75\% in 2009. For the years 2010 and beyond the forecasts were even more uncertain. For the period 2010-2013, the Dutch government expected an economic growth of 2\%. Also the labor market forecast by CWI for the period 2010-2013 was based on an economic growth of 2\%.\textsuperscript{115} However, these expectations proved to be very optimistic, in 2008 economic growth ended at the level of 2.1\%, in 2009,-3.3\%, 2010, 1.1\%, 2011, 1.7\%, and in 2012, -1.6\%.\textsuperscript{116}

Since the forecasts of economic growth in the Netherlands for the period 2008-2012 did not appear to be accurate, and thus the labor market prognosis by CWI was not either, I decided to introduce the subject of the demand for labor to my interviews. Therefore, I have questioned my interviewees about the demand for labor in the time before, during and after the economic recession in the Netherlands. The results will be presented in the subsequent section.

\textbf{IV.2 Demand for labor}

Employers play a crucial role in the implementation of labor market policy. Due to the global economic crisis employers often faced financial problems. This has had an impact on the employment in the companies. In the period covered by this study, the labor market has changed dramatically. Where employers in 2006-2007 faced problems finding personnel to fill vacancies, in the period of the economic crisis they were often forced to reduce their employment costs. The rationale was that although the crisis led to a temporary reduction in the demand for labor, in the

\begin{footnotesize}
\begin{enumerate}
\item CWI Arbeidsmarktprognose 2008-2013, 2008, 9-12.
\item Ibid.
\end{enumerate}
\end{footnotesize}
longer term, aging would lead to a significant labor shortage. However, how does this apply to Polish workers in the Netherlands? Has there been demand for Poles on the Dutch labor market during the times of economic recession, and if yes, why? This section will provide an overview of demand for labor on the Dutch labor market in the period under the research.

**Number of jobs**

In the CWI labor market prognosis by made for years 2008-2013, the authors expected a lower increase in the number of jobs as a result of lower economic growth\(^{117}\). The rise in the number of full time jobs should fall from 2.5% in 2007 to 1.4% (2008) and 0.8% (2009). With regard to the total amount of jobs (full and part time) in 2007, the number of jobs increased by 2.3%. Nonetheless, in the following two years the growth rate was expected to decrease to 1.5% in 2008 and 1.2% in 2009\(^{118}\).

Furthermore, with regard to part-time work, the number of jobs exceeds the number of full time jobs. In recent years, the number of part time working people increased. According to the report, this trend - with unchanged policies – would continue in the years 2008-2013\(^{119}\).

After a record in 2007, job growth in 2008 and 2009 was thus expected to slow down. The total number of jobs (full and part time) was expected to grow by 126,000 in 2008 and 104,000 in 2009. In the years 2010-2013 it should go down to around 65,000\(^{120}\).

**Vacancies**

The number of vacancies grows with economic development. As the economy develops favorably, the number of jobs increases. To fill these positions vacancies are advertised. Moreover, there are replacement vacancies. Resulting from workers leaving the labor force (retirement, disability, etc.). During the economic downturn in 2001-2003 the number of vacancies fell to 645,000. For 2008 and 2009, the CWI expected an increase to 1.1 million new jobs. In subsequent years, the number of vacancies was expected to stay at a high level. Thus, whereas the number of vacancies was forecasted to increase, this was not to be paralleled with an increase in the labor force supply,

\(^{117}\) CWI Arbeidsmarktprognose 2008-2013, 5-17.
\(^{118}\) Ibid.
\(^{119}\) Ibid.
\(^{120}\) Ibid.
which was expected to increase, resulting in increased demand for labor. Additionally, the labor market was expected to remain tight\textsuperscript{121}.

More jobs mean an increase in the number of vacancies. The resulting vacant places must be filled. In 2007 more than 1 million vacancies were registered. It was expected that in the years after 2007 the dynamics of the labor market will remain high and the number of vacancies will stay at a high level and even rise slightly. The number of vacancies as a percentage of the number of jobs was at a record level of over 15\%. Furthermore, according to this forecast, employer demand for high-skilled workers was expected to steadily increase and skills of the labor force were also expected to improve. An exception was the maintenance and manufacturing sector where demand for skills was expected to increase, while supply of skills expected to reduce\textsuperscript{122}.

What is more, authors of the CWI report about the discrepancy between labor market and schooling\textsuperscript{123} specifically came to the conclusion that vacancies at the middle and higher skill level are especially difficult to fill. Most gaps to fill were in the construction, education, manufacturing, ICT and transport sectors and occurred despite the fact that a part of the labor force was unemployed. Overall, there was a large discrepancy in the match between demand and supply of technical workers at all education levels in that their demand exceeded existing supply. Large shortages of labor supply were expected to remain in the technical and manufacturing jobs and the transport sector. In the ICT sector, large discrepancies have been forecasted, despite the large inflow of new workers, due to the overall growth of the size of the sector. As indicated earlier, this indicates a mismatch between demanded and supplied competences. The mismatch is caused by ‘hard’ factors such as the level of education obtained, as well as by ‘soft’ factors such as motivation and social and cultural issues.

Yet, the labor market is determined by economic developments. The economic expectations in the labor market prognosis by the CWI were in accordance with those of the central Economic Plan 2008 of the Central Planning Bureau (CPB). The prognosis was policy-neutral, which means that it was only based on existing laws and regulations. Amendments and proposals such as the

\textsuperscript{121} CWI Arbeidsmarktprognose 2008-2013, 5-17.
\textsuperscript{122} Ibid.
European Commission Employment rates were not included. The calculations were completed in mid-May 2008. Moreover, the calculations from the CWI Labor Market Prognosis were - like all forecasts - conditional. This means that if the economic assumptions afterwards differ from reality, the forecasts differ as well\textsuperscript{124}. The forecasts were based on the latest economic insights from the Central Planning Office. Economic growth was expected to lessen in subsequent years. Therefore the report by CWI pays attention to other plausible outcomes. In the situation when economic developments would be more disappointing, the number of jobs and vacancies was expected to be lower. Moreover, the number of unemployed job seekers would drop only in 2008. In 2009 the number of unemployed job seekers would increase again\textsuperscript{125}.

That is why I base this chapter on another report published in 2014. For less numerical developments and analysis of the requirements of employers I have looked in the report “Demand for labor” (“Vraag naar Arbeid”) published in May 2014 by the Social and Cultural Planning Office (Sociaal en Cultureel Planbureau)\textsuperscript{126}. Here I discovered that in the years 2011 and 2012, a significant part of Dutch companies made use of flexible workforce. By 2011, 64% of companies employed flex workers, where in 1995 the percentage was 31%. Furthermore, in the past, mainly large companies decided to make use of flexible workers. Today, many small companies also decide to make this step. Flexible contracts give employers the option to relatively easily adapt the workforce to changing demand in times of economic uncertainty.

What is more, the chapter “Flexibele contracten” (Flexible contracts) of this report provides an overview of the labor market flexibility from the perspective of employers\textsuperscript{127}. The most important conclusions from the report are, firstly, that a significant and increasing share of employers (80%) make in one way or another use of the possibilities of flexibility. Secondly, that companies use temporary workers to adjust staffing in short-term fluctuations in demand. Thirdly, as a reasons for hiring flexible workers and in particular agency staff, the employers indicate replacement of ill or absent employees (26%) and seasonal work or temporary fluctuations in the amount of work (32%). Employers especially point out that adjustments via the flexible workforce save both money and time compared to permanently employed workers. Moreover, price differences

\textsuperscript{124} CWI Arbeidsmarktprognose 2008-2013, 8.
\textsuperscript{125} CWI Arbeidsmarktprognose 2008-2013, 36.
\textsuperscript{126} P. van Echtelt, Vraag naar Arbeid, 39-46.
\textsuperscript{127} Ibid., 39-46.
between negotiated wages and temporary workers, but also the far-reaching responsibilities towards their own (fixed) staff versus the much less consequential responsibilities towards temporary staff, have been mentioned.

**IV.3 Supply of labor**

Economic production is mainly based on production factors such as labor, capital, nature and entrepreneurship. For the labor market, the most important production factor is labor, with supply of labor consisting of persons who offer themselves for work.

**Structural population trends**

The supply of labor is determined by three factors: structural population trends, economic trends, and institutional and cultural developments. The starting point for the development of the supply of labor is the population development in the Netherlands. The population in the Netherlands is still growing. In 2007, the population increased by about 50,000 people. The growth is mainly determined by the difference between birth and death\(^ {128} \). However, with regard to the population that is potentially available for work (aged 15-64 years), then the growth of 20,000 in 2007 is a lot smaller. The development of the potential workforce between the years 2007 and 2011 changes from a (slight) increase to a decrease in 2011. In subsequent years, the potential labor force would decline even further\(^ {129} \).

According to the report “Aanbod van arbeid” (Supply of labor) of the Sociaal en Cultureel Planbureau (the Social and Cultural Planning Office) from 2012, one of the major changes on the Dutch labor market is aging\(^ {130} \). The population is aging, so the number of workers and job seekers - along the workforce - is decreasing. In the years before the crisis, many policymakers feared that the near future would provide structural staff shortages\(^ {131} \). However, due to the economic crisis that began in the fall of 2008, structural staff shortages were less significant than it was expected.

\(^{128}\) CBS-persbericht, ‘Bevolking groeit met 47 duizend’, 15 februari 2008
\(^{129}\) CWI Arbeidsmarktprognose 2008-2013, 18.
\(^{131}\) Commissie Arbeidsparticipatie, Naar een toekomst die werkt, Advies Commissie Arbeidsparticipatie, Ministerie van Sociale Zaken en Werkgelegenheid, Den Haag, 2008
Institutional and cultural developments

In addition, whether people offer themselves on the labor market depends partly on the compensation of labor and the number of jobs. The size of the labor force increases when the pay rises or/and the number of jobs increases. If the economy is growing, the number of jobs increase as well. According to the labor market prognosis made by the CWI, in the years after 2007, the growth rate for the number of jobs would slow down. Still, not everyone who is potentially available for work, offers himself on the labor market. A part of the potential labor force for instance, is still in education or cares for children.¹³²

Furthermore, the opening of the borders within the European Union is important as well. According to the CWI, in 2007, there were about 100,000 people from Central and Eastern Europe working in the Netherlands. This corresponds to 1½ percent of the Dutch population. The vast majority (about 80%) were Polish. It was expected that the number of people from Central and Eastern Europe working in the Netherlands would increase. However, the size of their migration, according to the researchers, was difficult to predict. Much depended on the development of the wage difference between the Netherlands and Central and Eastern European countries. According to CWI, in 2007, Polish workers filled gaps in sectors with unfulfilled demand, such as agriculture and construction.¹³⁴

The increase in the labor force is determined by the population increase between 15-64 and the increase in labor participation. The main expectations of the CWI with regard to the supply of labor for the years 2008-2013 were that the population increase should have been almost negligible in the coming years (2008-2011). In 2011, the population aged 15-64 years would further decrease. This was due to the baby boom generation of the Second World War reaching the age of 65.¹³⁵ As such, labor force growth was to mainly come from an increase in the employment rate. The increase in labor participation would be mainly caused by women and older people (55+). Furthermore, in 2008 and 2009 the population would have increased by an average of nearly 100,000 persons (+ 1.2%) per year. In subsequent years, the increase in the labor force would have

¹³³ Ibid.
¹³⁴ Ibid.
¹³⁵ Ibid.
become smaller. For the period 2010-2013 an average increase in the labor force by almost 60,000 people (+ 0.7%) has been calculated.

**Growth of the flexibility**

Furthermore, there has been another important change noticed on the Dutch labor market as it became much more flexible in recent years. Under pressure from globalization and innovation, the demand for products is changing very quickly. This makes it necessary for employers to adjust the size and composition of their workforce faster.\(^{136}\)

Moreover, in the years between 2008 and 2010 (report covers the period until autumn 2010) the Dutch labor market was characterized by higher and more flexible participation. There was strong emphasis on higher employment of (among others) women and the elderly people. Between 2008 and 2010 the participation increased to almost 70% of the (potential) labor. Especially the number of working women has increased significantly. The authors of the report conclude that in the years (2010-2012) they expect further rise in the participation percentages due to the fact that the age at which Dutch leave the labor market is increasing. The last significant change discussed by the authors concerns the fact that between 2008 and 2010 employers made more often use of temporary contracts.\(^{137}\)

**Workforce by education level**

The level of education plays an important role on the labor market. It has been expected that in the period 2007-2013 the number of low educated workers would decline by about 16,000 a year. In the same period, the number of secondary educated would increase by 24,000 per year, while the increase in highly educated would stand at an average of 62,000.\(^{138}\)

\(^{136}\) J.D. Vlasblom, Aanbod van arbeid 2012, 23-44.
\(^{137}\) Ibid., 23-44.
\(^{138}\) CWI Arbeidsmarktprognose 2008-2013, 25.
In figure 4.1 we clearly see that in both 2007 and 2013, highly educated labor constitutes the greatest portion of the labor force.

**Discrepancy between supply and demand**

The forecast of development of supply and demand results in a picture of continuing labor market shortages. Moreover, at the end of 2007, there were 458,000 unemployed job seekers. CWI-registered job seekers can be characterized as long-term unemployed, older and lower educated.

These data need to be taken into account during the following discussion on the Polish immigrations’ role on the Dutch labor market. As such, these forecasts will be juxtaposed with data obtained from interviewees representing Dutch and Polish institutions and Dutch companies in the sectors of horticultural, agricultural, production, and transport.

According to one of my first interviewees, Dutch employers have been enthusiastic about the opening of the labor market for workers from the new EU member states, including Poland, because for many years they have been facing problems filling a significant number of
vacancies139. However, the Dutch government using the reports estimating the number of immigrants did not expect the final number of Polish people working and living in the Netherlands to come even close to 165,070140 (data for the first quarter of 2012). This unexpected high number of Polish immigrants may have contributed to the formation of negative opinion about the Poles in the Netherlands.

Furthermore, in another interview, Mr. Cees Werff, the President of the Netherlands Polish Business Council, when asked about the reasons why Dutch employers are willing to hire Polish workers, pointed out the demand for highly skilled, technical labor and the shortage of technical skilled students141. His statement has confirmed the findings of the CWI with regard to the gaps that are difficult to fill in the construction, education, manufacturing, ICT and transport sectors, and a large discrepancy in the match between demand and supply of technical workers at all education levels. High demand for technical skilled labor on the Dutch labor market has been also confirmed by Mr. Henk Bosman, human resources project manager at Smilde Foods142.

A further interviewee was Jochem de Boer, representing The Federation of Private Employment Agencies (Algemene Bond Uitzendondernemingen, ABU) that has since 1961 been the main representative for private employment agencies in the Netherlands. With 500 members, the ABU represents more than 60 percent of the market. This makes the ABU the largest and most important employers’ organization in the temporary agency work sector. De Boer is responsible for international flex migrants inside the ABU and points to the fact that in 2007, significant labor shortages were present on the Dutch labor market, which was the reason for the significant influx of labor migrants to the Netherlands. In times of economic recession, the demand for foreign labor decreases due to the stagnation of production. Yet, according to de Boer, the decrease of Polish workers in the Netherlands would not be that significant due to the flexibilization of the Dutch labor market, especially in times of economic uncertainty when employers adjust the size and

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139 Interview ‘a’ with Mr. Janusz Wołosz, Second Secretary - political affairs, press contacts, Embassy of the Republic of Poland in The Hague, 06.08.2014, The Hague
141 Interview ‘b’ with Mr. Cees Werff, the President of the Netherlands Polish Business Council (NPCH), 11.07.2014, Amsterdam
142 Interview ‘f’ with Mr. Henk Bosman, human resources project manager, Smilde Foods, 21.10.2014, Groningen
composition of their workforce faster\textsuperscript{143}. This fall in demand for foreign labor (including Polish labor) in times of economic recession in the Netherlands has been confirmed by other respondents\textsuperscript{144}. According to one of the interviewees, the demand was very high especially in 2007 and 2008. However, from 2009 onwards, a 10 to 20\% decrease has been observed in demand for foreign and Polish labor in construction and manufacturing sectors\textsuperscript{145}. At the same time, in the agriculture sector there has been no decline. In 2014 this began to change and the demand for labor increased with 10\% comparing to 2013. Furthermore, regarding demand for labor between 2008 and 2012, respondents identify a mismatch between demand and supply of labor on the Dutch labor market\textsuperscript{146}.

After analyzing all interviews, one particular finding comes forward regarding the demand for labor indicated by all interviewed companies employing Polish labor immigrants. Before the economic recession, as well as during the years of economic crisis, it has been very difficult to find motivated, flexible, hard-working Dutch workers for, especially, the production, horticulture and agriculture sectors\textsuperscript{147}. Moreover, one of the interviewees revealed a verification that the company did in 2011 when decided to hire a group of Dutch workers registered as unemployed. The overall experience was summarized in the sentence: “I am shocked by the work ethic of some Dutch people”\textsuperscript{148}.

This would explain why Dutch employers are willing to hire Polish workers. When asking for more specific reasons, Dutch companies hire Polish people because they do not find Dutch workers to fill their vacancies. They are often lowly motivated and qualified\textsuperscript{149}. Other reasons for hiring Polish workers are: good working ethic, high productivity, flexibility, determination, willingness to work, ability and willingness to work hard, high motivation, continuation of work, good skills, excellent work attitude, availability, because they work harder and better than Dutch employees and because of the possibility to adjust the number of workers to seasonal work. Several

\textsuperscript{143} Interview ‘c’ with Mr. Jochem de Boer, international flex migrants, The Federation of Private Employment Agencies (ABU), 06.10.2014, Lijnden
\textsuperscript{144} Interview “d” with Mr. Frank van Gool, Chairman of the board, Otto Workforce, 30.01.2015, Utrecht
\textsuperscript{145} Interview “e’, 5.12.2014, Groningen
\textsuperscript{146} Interview “d” with Mr. Frank van Gool, Chairman of the board, Otto Workforce, 30.01.2015, Utrecht
\textsuperscript{148} Interview ‘n’, 07.01.2015, Sint Nicolaasga
\textsuperscript{149} Interview “d” with Mr. Frank van Gool, Chairman of the board, Otto Workforce, 30.01.2015, Utrecht
respondents indicated the difficulties to find Dutch workers for particular work as one of the most significant reasons for hiring Poles. To illustrate, a few quotes from the interviews: "Work ethic (of Polish workers) is really very different, much better that of the Dutch people"\textsuperscript{150}, "We appreciate the Polish workers for their labor input"\textsuperscript{151}

To sum up, the global economic crisis which has been present in the Netherlands set the priorities in the Dutch companies with regard to personnel. The crisis led to a temporary reduction in the demand for labor, however, in the longer term, aging would lead to a significant labor shortage. Furthermore, a significant and increasing share of employers make, one way or another, use of the possibilities of flexibility. Flexible contracts give employers the option to relatively easily adapt the personnel to changing demand in times of economic uncertainty. Under pressure from globalization and innovation the demand for products is changing very quickly. This makes it necessary for employers to adjust the size and composition of their workforce faster. Employers use this flexible staff to enable them to adjust quickly to changing demand, but also as a recruitment and selection tool.

With regard to the supply of labor, one of the major changes on the Dutch labor market is aging. The population is aging, so the number of workers and job seekers – along with the workforce - is decreasing. In the years before the crisis, structural staff shortages have been an expected result of it. However, due to the economic crisis, these turned out to be less significant. Furthermore, according to the CWI, in 2007 there were about 100,000 people from Central and Eastern Europe working in the Netherlands, of which about 80\% were Polish. These mostly filled gaps in sectors with unfulfilled demand, such as agriculture and construction.

Lastly, the analysis of interviews showed that Dutch employers have in general been enthusiastic about the opening of the labor market for workers from the new EU member states, including Poland, because they have been facing problems filling a significant number of vacancies for a longer period. However, a fall in demand for foreign labor (including Polish labor) during the times of economic recession in the Netherlands has been confirmed by some respondents. The demand was very high especially in 2007 and 2008. However, from 2009 onwards, a 10 to 20\%

\textsuperscript{150} Interview ‘f’ with Mr. Henk Bosman, human resources project manager, Smilde Foods, 21.10.2014, Groningen
\textsuperscript{151} Interview ‘i’ with Mr. Etienne Ruigerwaard, the owner of the company Etienne Ruigerwaard b.v., 17.11.2014, Middenmeer
decrease has been observed in the demand for foreign and Polish labor in the construction and manufacturing sectors. At the same time, the agriculture sector has not seen any decline.

One of the most significant findings indicated by all interviewees is that before and during the economic crisis in the Netherlands, it has been very difficult to find motivated, flexible, working-hard Dutch employees to do the work, especially in the production, horticulture and agriculture sectors. The most often mentioned reasons for hiring Polish workers are an excellent work attitude, high motivation, high productivity, flexibility, determination, willingness to work and availability.

V. Assessing the impact
The Dutch labor market analysis and the interviews analysis with regard to demand and supply of labor in the previous section introduced the most important requirements and developments of the Dutch labor market between 2008 and 2012. In this section I will further investigate whether dual labor market theory’s predictions are in line with the influx of Polish labor migrants into the Netherlands. In this section I will focus on issues of demand for foreign labor and returns. Furthermore, in this chapter I will discuss and assess the impact of immigration of Poles to the Netherlands on the Dutch labor market between 2008 and 2012.

V.1 Demand for foreign labor
The labor market consists of two segments. The primary and the secondary segment. Most employees in the secondary segment consisting of mainly insecure and temporary jobs try to move to the primary sector where they can expect steadier and better paid jobs. However, employers rely on secondary segment workers to adapt faster to the changing economic environment. As mentioned in the previous section, the Dutch labor market in the period 2008-2012 showed an increasing demand for temporary workers. Yet, according to dual labor market theory, developed countries often have trouble in finding employees willing to work in the secondary segment of the labor market.152 This results in the situation where highly advanced economies create demand for foreign labor due to, inter alia, native workers avoiding taking these jobs for several reasons (low-paid, dangerous, low-prestige, unstable, unskilled). The theory looks at a few points, providing more insights widely described on page 15153.

152 P. B. Doeringer, M.J. Piore, Internal labor markets and manpower analysis, Lexington, 1971
153 J. Arango, Explaining migration, 289
With regard to demand for labor, after analyzing 14 interviews, I am able to conclude that in the case of the immigration of Poles to the Netherlands in the period 2008-2012, the theory has much explanatory points. In my interviews, I asked the question: “Is it true that Polish workers do the work that has been rejected by the Dutch employees? For instance because of low status of the position or low wages?” I received only confirming answers.

As mentioned above, dual labor market theory does not explain the cause of international migration. Rather, it highlights a significant factor which is the demand for foreign workers, inseparable from the economic structure of contemporary advanced societies. What is more, dual labor market theory contributed to dispel the concept that immigrants compete with local workers and affect their level of wages and unemployment perspectives. The question whether this theory helps to dispel the concept of Polish immigrants competing with Dutch workers on the Dutch labor market, or whether Polish immigrants in the Netherlands constitute a supply of labor that creates its own demand and results in new jobs that would not exist before immigrants entered the labor market arises. Though my interviews, I gained more insight into this matter.

After the Second World War, the Netherlands and other countries began with implementing recruitment programs. Searching for workers in low-wage countries is the way to obtain a steady flow of secondary segment workers. With regard to immigration of Poles to the Netherlands after 2004, according to Janusz Wołosz from the Embassy of the Republic of Poland in The Hague, a significant part of Polish workers in the Netherlands has been recruited in Poland by work agencies for vacancies that have already existed, however, were difficult to fill by native workers. This situation is different from that in United Kingdom where Poles did often leave their home country on their own in search of work154.

Furthermore, Frank van Gool confirmed the statement that Polish people do not create labor demand in the Netherlands. Van Gool reiterated that from the 1960s, there has been demand for foreign labor in the Netherlands155. On the whole, all of my interviewees confirmed the statement that there has been demand for foreign labor and it has not been specifically created by Polish workers coming to the Netherlands in search for a job. Despite the fact that between 2008 and

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154 Interview ‘a’ with Mr. Janusz Wołosz, Second Secretary - political affairs, press contacts, Embassy of the Republic of Poland in The Hague, 06.08.2014, The Hague

155 Interview “d” with Mr. Frank van Gool, Chairman of the board, Otto Workforce, 30.01.2015, Utrecht
2012 the demand has been decreasing due to the economic uncertainty, the answers are in line with the predictions of the theory with regard to demand for foreign labor in highly advanced economies.

**V.II Returns**

Another aspect of the theory is the return of the immigrants. Dual labor market theory predicts that immigrants will stay for a period of time after which they will return to their country of origin and they will be replaced by new recruited workers. During the times of labor shortages immigration can be very beneficial for the economy of the country. However, it is significant that a large share of the immigrants return to their home country\(^{156}\). The available data with regard to Polish immigrants returning to their home country is to be found in “Poolse migranten”. Polish respondents that came to the Netherlands after 2003 have been asked: “Would you always want to live in Poland?” On the whole, four out of ten Poles have no desire to settle permanently in Poland again. Three of ten do desire it, the rest does not know. Moreover, men want to return more often than women. The desire to return is more visible among labor migrants (35%) than among follow migrants (21%) or immigrants who came to the Netherlands because of a native partner (14%). A remarkably high proportion of Poles that came to the Netherlands after 2003 do not know whether they want to return. This is mostly true for migrants who came to the Netherlands because of a native partner, and labor migrants\(^ {157}\). For labor migrants the reason of not knowing whether they would like to return may be the uncertainty with regard to work. Many of them have temporary jobs. Also among Poles aged between 15 and 24 years and among the less educated ones, an above-average share does not know whether they would like to return to Poland. These are often labor migrants. Data of another study questioning mainly labor migrants show that 59% of Poles want to return and 19% do not desire this\(^ {158}\).

Also the CBS keeps track of the registered number of leaving Poles. It shows that almost 60% of Poles who came to the Netherlands since 2000 left. The CBS data also shows that 40% of Poles who arrived in 2000 still lived in the Netherlands ten years later.

\(^{156}\) H. Roodenburg, R. Euwals, H. ter Rele, Immigration and the Dutch Economy, 2003  
\(^{157}\) J. Dagevos, *Poolse Migranten*, 2011  
\(^{158}\) M. S. Spaans-Plociennik, Poolse arbeidsmigranten in Nederland. Een tijdelijk of permanent verschijnsel, 2009  
Rotterdam: Erasmus Universiteit Rotterdam, 2009
As we can see, it is difficult to follow and predict exactly how many Polish (labor) migrants did and will leave the Netherlands. The results of the studies strongly depend on the group of respondents (temporary labor migrants or migrants that stay in the Netherlands for a longer period). Therefore, it is difficult to determine whether the information presented above coincides with the predictions of the theory.

Now I would like to sum up all the predictions of dual labor market theory discussed in this thesis. All things considered, dual labor market theory to a large extent explains the immigration of Poles to the Netherlands. With regard to demand for labor, the theory completely coincides with available data and the information gained during interviews. Furthermore, given the migration motive results, dual labor market theory rightly predicts a significant part of migrants entering the Netherlands to seek employment. However, when looking at the returns to the home country, I cannot definitely acknowledge whether predictions of the theory are in line with the facts due to the many Polish people which do not have a specific plan as to their future in the Netherlands, as well as because of the dependency of the results on the group of respondents (temporary labor migrants versus Poles staying for a longer period). For the same reason I could not confirm whether predictions of the theory in the case of the educational attainment are in line with the data I have gained. Various studies among different research groups presented different results. Yet, the availability of the data on the position on the labor market allowed me to confirm predictions of the theory with regard to immigration of Poles to the Netherlands.

**V.III Wage and replacement effects**

At the beginning of this section, I would like to return to the subject of unemployment rate discussed broadly in the previous chapter. Migration can have a significant impact on unemployment rates as well as the condition of the economy. During periods of economic recession, an economy usually experiences a relatively high unemployment rate.

In addition, the consequences of immigration on the labor market and thus, inter alia, on the unemployment rate critically depend on the skills of migrants, the skills of existing workers, and the characteristics of the host economy. Borjas investigates the relationship between the immigration surplus and the skill composition of the immigrant flow with help of an economic model. The immediate short-term effects of immigration on the employment and wages of existing workers depend particularly on the extent to which migrants have skills that substitute or
complement those of existing workers. The immigration surplus is positive as long as the skill composition of the immigrant flow differs from that of native workers (under all conditions). In situation where the skill composition of immigrants were the same as that of natives, the constant returns to scale production function implies that the wages of skilled and unskilled workers are unaffected by immigration, and hence natives have nothing to gain from immigration. Main lesson of economic analysis is that natives benefit from immigration only if immigrants are different from natives\textsuperscript{159}. If the skills of migrants and existing workers are substitutes, immigration is expected to increase competition in the labor market and decrease wages in the short run. The closer the substitute, the greater the adverse wage effects will be. Whether and to what extent declining wages increase unemployment or inactivity among existing workers depends on their willingness to accept the new lower wages. If, on the other hand, the skills of migrants are complementary to those of existing workers, all workers experience increased productivity which can be expected to lead to a rise in the wages for existing workers\textsuperscript{160}.

Furthermore, immigrants with high levels of productivity and who adapt quickly to conditions in the host country’s labor market can significantly contribute to the economic growth. Yet, these immigrants can increase expenditures on social assistance programs. On the other hand, immigrants that lack the skills that employers demand and face difficulties to adapt, may in significant way increase the costs of income maintenance programs and exacerbate the ethnic wage differentials already existing in the host country\textsuperscript{161}.

Knowing this I would like to present a table showing the unemployment rate in the Netherlands between 2008 and 2012 divided into the education level.

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\textsuperscript{160} \url{http://www.migrationobservatory.ox.ac.uk/briefings/labour-market-effects-immigration} (Access Augustus 2014)
Table 4.1 Unemployment rate by education level in the Netherlands, in percent, 2008-2012

<table>
<thead>
<tr>
<th>Education level</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>low</td>
<td>6.1</td>
<td>7.4</td>
<td>8.7</td>
<td>7.8</td>
<td>9.7</td>
</tr>
<tr>
<td>middle</td>
<td>3.5</td>
<td>4.5</td>
<td>5.1</td>
<td>5.2</td>
<td>6.3</td>
</tr>
<tr>
<td>high</td>
<td>2.6</td>
<td>3.2</td>
<td>3.7</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>unknown</td>
<td>5.5</td>
<td>8.6</td>
<td>8.8</td>
<td>9.1</td>
<td>8.6</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on CBS data

The effect of the level of education on unemployment is clear. The unemployment rate was especially high among citizens educated on the low level. In 2012, 9.7% of the labor force that finished their education on the low level was unemployed. The second group where the unemployment rate reached high levels was the group where the education level is ‘unknown’. Here, I would like to return to the table presented on page 38 presenting the level of job performed by Poles that came to the Netherlands after 2003 and the natives.

Table 4.2 Level of job performed by the Poles that came to the Netherlands after 2003 and the natives, in percent, 2009

<table>
<thead>
<tr>
<th></th>
<th>elementary/low</th>
<th>secondary</th>
<th>high/scientific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poles</td>
<td>74</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>natives</td>
<td>36</td>
<td>33</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: J. Dagevos, *Poolse migranten*, 2011, 73

A very high 74% of Polish workers in the Netherlands perform jobs at the elementary/low level. The Dutch, in contrast to the Poles, are equally divided over the three levels. However, as mentioned above lowly educated citizens in the Netherlands indicate one of the highest rates of unemployment. Thus analyzing those two tables, I can conclude that in the period under investigation, the skills of migrants and existing workers were substitutes, and thus immigration

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162 [http://statline.cbs.nl/StatWeb/publication/?vw=T&dm=SLNL&pa=71738ned&d1=22.26&D2=0&D3=0&D4=a&D5=31,36,41,46,51,60,65,l&hd=140304-1009&hdr=t,g4&stb=g2,g1,g3](Access July 2014)
could be expected to increase competition in the labor market and decrease wages in the short run. However, is the immigration of Poles to the Netherlands the reason for high unemployment among lowly educated citizens of the Netherlands?

As established previously, between 2008 and 2012, there was high demand for temporary workers in the Netherlands. Moreover, based on answers given during the interviews, I concluded that Polish workers in the Netherlands do not create a demand but are in advance recruited by work agencies in Poland for already existing vacancies that are difficult to fill due to, inter alia, avoidance by the citizens of the Netherlands. Furthermore, as mentioned above, Polish immigrants often work under their education level, are mostly employed in the secondary sector of the labor market and fill in temporary, low status vacancies. Based on this information, I conclude that despite the fact that most Poles work in positions requiring a low educational level where between 2008 and 2012 we observe the highest unemployment, they are not in competition with Dutch citizens in applying for these jobs and hence do not negatively impact the level of wages or take jobs away from Dutch nationals. To support this statement, I present further analysis of my interviews and other available sources.

The discussion on the labor market effects of immigration often focuses on the effect for the native residents with regard to their job and wage level. In a perfect situation on the labor market, wages should decrease as a response to increased supply of an equal type of labor. Yet, in this thesis, I concluded that Polish labor migrants do not constitute an equal supply of labor to the natives.

The inflow of low skilled migrants brings with it greater risk than the arrival of high skilled migrants due to the lower level of specialization among low skilled workers. Hence, it is possible that low skilled natives and low skilled immigrants will compete for the same jobs. I asked all my interviewees the question “Do Polish immigrants fill gaps in the labor market in the Netherlands, or is it true that they take away the positions of Dutch nationals?” One of 14 responses confirmed some price competition between immigrants hired illegally and native workers, 3 people did not give a clear answer, while 10 people reiterated the existence of gaps on the Dutch labor market, which are filled by Polish workers. Some interesting arguments came forward during these interviews. According to one of respondents, Polish people are willing to do the work that Dutch people are very difficult to recruit for. Moreover, the reason why a Dutch unemployed person will not do the job of a labor migrant has to do with the fact that the unemployment system in the
Netherlands needs to be reformed structurally. The unemployed are somehow drawn into the unemployment system. Furthermore, according to one of interviewee, it is not possible that from one day to another the unemployed Dutch people can replace the EU labor migrants in the Netherlands due to demand and supply mismatch. The unemployment rate and the amount of labor migrants in the Netherlands are two different matters, two separate discussions. Another interviewee states that with the development of the economic crisis in 2009, we hear more and more about Poles taking away jobs of the natives. The popularity of some slogans and their falling on fertile ground can be seen in light of the difficult economic and labor market situation. This may cause some sense of danger among the native labor. At the level of social perception, Poles take a lot of jobs, at the level of facts and statistics, that scale is low. The other frequent answer was that it is very difficult to find flexible Dutch workers willing to fill these positions.

The next questions during my interview concerned the reduction of wages of native workers: “Do Polish migrants contribute to the reduction of wages of Dutch workers?” and “Do Poles work for less?” One of my respondents stated that in the Netherlands, there is a set level of wages and in the situation when more labor is offered the wages do not go down. If Poles do indeed work for lower wages, this would be an interference with the European Law and with the collective labor agreement (CAO uitzendkrachten\textsuperscript{163}). Furthermore, my respondents state that the payment level for Dutch and Polish workers is the same as both benefit from the system of minimum wage and the collective labor agreement, which companies have to obey by law. However, the reason why Poles may seem cheaper is the fact that they do not get sick so often and the employer thus does not have to pay for an absent employee\textsuperscript{164}. Legally, there is no possibility to pay Polish workers less than the Dutch. One of my interviewees confirmed the fact that at the beginning (2004) and even now there most likely are working agencies and employers which do not respect the law and pay less. However, these rather constitute an exceptions. Now there are many controls and employers do not profit from practices such as these due to high fines. There were also responses confirming price competition, however, not in terms of salary and wages but rather in the context of self-employment in the construction sector where a small Polish firm executes orders for less

\textsuperscript{163} A collective agreement contains agreements on wages, bonuses, overtime pay, working hours, probationary period, period of notice, dismissal, vacation or retirement. Also things like education, child care and early retirement can be regulated in a collective agreement.

\textsuperscript{164} Interview ‘e’, Employment agency, anonymous interviewee, 5.12.2014, Groningen
money than Dutch companies and thereby reduces the value of these orders for Dutch companies. To illustrate, two of the responses are: "We hebben er ook geen economisch voordeel, wat soms wel gezegd word" ("We have no economic advantage, what sometimes has been said")\textsuperscript{165}, "Polen zijn goedkoper? Dat is onzin, dat is gewoon echt onzin" ("Poles are cheaper? That is nonsense that is just nonsense")\textsuperscript{166}

Furthermore, with regard to the period under investigation (2008-2012), I asked my interviewees about the impact of the global economic crisis on employment of Poles and their situation on the labor market. According de Boer, during the time of economic stagnation, the demand for labor decreases, yet, that decrease could be less significant due to the fact that in times of economic uncertainty companies turn to flexible workers\textsuperscript{167}. Moreover, Rob Ruhl recognizes the situation when in time of economic crisis “people tend to look for a scape goat and try to blame foreign workers for their less favorable economic position” \textsuperscript{168}. However, Ruhl states that there is no evidence for the negative impact of Polish immigrants on the Dutch economy. On the contrary, there is proof for their net contribution. In another interview, van Gool points to the decrease in demand for labor during the economic crisis. He states that Polish immigrants respond to the demand and in times of a decrease and less available jobs do not come to the Netherlands\textsuperscript{169}. To sum up, interviewed companies from the agriculture and production sectors have not been affected by the economic crisis and hence did not change their employment situation with regard to Polish workers. Companies from the transport sector have been affected in varying degrees by the crisis which led to a reduction in working hours.

Furthermore, Dutch employers do often look for Dutch citizens to fill available jobs, however, they often face problems such as low motivation, low flexibility, frequent unavailability and frequent absence due to illness, along their quest.

Among others, my interviewees claim: "Heel kort door de bocht gezegd de werkmentaliteit van Polen is natuurlijk heel anders als de mentaliteit van de Nederlandse werknemer.” (“Quite bluntly

\textsuperscript{165} Interview ‘n’, 07.01.2015, Sint Nicolaasga
\textsuperscript{166} Interview ‘m’, with Mrs. Lia van der Gulik, owner of the company Maatschap van der Gulik, 08.12.2014, Wijdenes
\textsuperscript{167} Interview ‘c’ with Mr. Jochem de Boer, international flex migrants, The Federation of Private Employment Agencies (ABU), 06.10.2014, Lijnden
\textsuperscript{168} Interview ‘g’ with Mr. Rob Ruhl, ING Bank, Economic Department, 16.07.2014, Amsterdam
\textsuperscript{169} Interview “d” with Mr. Frank van Gool, Chairman of the board, Otto Workforce, 30.01.2015, Utrecht
said the work mentality of Poles is very different than the mentality of the Dutch worker.”) 170, "Dat is meer de kwestie van vraag en aanbod, we hebben nooit gezegd van we gaan op zoek naar Polen, we zochten mensen." (“That is more the issue of supply and demand, we have never said we are going to look for Poles, we were looking for people [to work].”) 171

This thesis investigates the impact of Polish immigration on the Dutch labor market between 2008 and 2012 in a rather qualitative way. An article by the Netherland Polish Council for Trade Promotion from 2011 focused on quantitative results. Although the main theme of the report was the contribution of Polish labor migrants to the Dutch economy, the authors referred also to the subject of impact on the labor market. According to the report, based on SEO reports from 2011, there is no evidence of displacement of Dutch employees caused by Polish immigrants for long-term employment172. However, there are positive (negative, meaning for the Dutch labor market) effects in regions and sectors where job shrinkage appears. The scale of these effects is, very limited, though. Moreover, the authors claim, based on a report by the SEO from 2008 that there is evidence for job displacement due to temporary labor migration, but again the effect is very limited; about 1 in 1200 jobs173. The report concludes, this time referring to workers from the whole of Central and Eastern Europe, that there is hardly any displacement effect on the Dutch labor market, that the increasing supply of workers has a small downward effect on wages in the Netherlands and that the impact occurs mainly in low paid jobs. In an interview with one of the authors of the report, Rob Ruhl from the Economic department at the ING Bank in Amsterdam, he elaborated on the findings somewhat more. The report concluded that the contribution of Polish labor migrants to the Dutch economy and budget is positive. Moreover, in the report, the authors refer to the possibility of unemployment increase and competition for jobs in some sectors of the economy in times of economic recession. Furthermore, there have been cases when lower wages paid to foreign workers persuaded employers in the Netherlands to hire foreign workers. Yet, Ruhl stresses that employers hire their staff because of their skills and working attitude, and that it is commonly known that Polish workers are skilled and have an excellent working attitude. Yet another important conclusion of Ruhl concerns the reduction of wages of Dutch nationals. The

170 Interview ‘k’, with company Fa. A.E. de Wit&Zn, 17.11.2014, Hoogkarspel
171 Interview ‘n’, 07.01.2015, Sint Nicolaasga
172 Netherlands Polish Council for Trade Promotion, Polish labor migration, 2011
173 Ibid.
The author of the report stresses the fact that the economic crisis is the main reason for the moderate income growth during the last years in the Netherlands. “I do not think we can blame the Poles for the global crisis”, says Ruhl.

Lastly, it is important to mention once again that in this thesis, I investigate about 175000 Polish nationals working and living in the Netherlands, immigrants who decided to come to the Netherlands to live and work and hence pay their insurance and taxes in the Netherlands. There is, yet, another way through which Polish nationals are being posted for work in the Netherlands. They are often posted from a subsidiary set up in Poland by Dutch entrepreneurs in order to reduce production and staff costs. These structures have been called ‘schijnconstructies’ in the Netherlands. According to Janusz Wołosz from the Embassy of the Republic of Poland in The Hague, some sectors of the Dutch economy are highly competitive. For this reason, profit margins are low and companies are looking for cheaper workers (also on the Polish market) to reduce their expenditure on staff. These companies decide to set up subsidiaries in Poland and to post workers to the holding company. This often happens in the transport sector. According to Wołosz, this testifies to the weakness of the sector, as it relies on rather creative methods of employment. The Dutch government is fighting this phenomenon174. Minister of Social Affairs and Employment in the Netherlands, Mr. Lodewijk Asscher, is fighting illegal and cheaper labor from, inter alia, Poland and calls for “Code Oranje” (orange code) because of unfair competition on the labor market. Moreover, Mr. Asscher wants the European Union to come in action on this subject175. However, as concluded in this thesis, Polish people working and living in the Netherlands do not negatively impact the level of wages of Dutch nationals nor do they compete for the same jobs due to the fact that Dutch nationals are often not willing to fill in available vacancies due to, inter alia, low status of the function. The above mentioned aspect, the number of Polish workers annually posted to the Netherlands and the impact of this construction on the Dutch labor market, is yet another subject worth investigating.

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174 Interview ‘a’ with Mr. Janusz Wołosz, Second Secretary - political affairs, press contacts, Embassy of the Republic of Poland in The Hague, 06.08.2014, The Hague
Conclusion
As a consequence of the events broadly discussed in the introduction, since 2004, a number of studies has been conducted regarding the immigration from CEE countries to the Netherlands. Subjects such as the immigrants’ life, their integration and their impact on the Dutch economy have been investigated. Motivated by the chapter “A van full of Poles: Liquid migration from Central and Eastern Europe”, and the authors’ statement that that the results of their study would look different if analyzed in times of economic recession, I decided to undertake the task. Moreover, the paper by Amelie Constant and Klaus F. Zimmermann, and their claim that the contribution of the immigrants depends on the characteristics of the people entering the country was the motivation for my first sub question answered in the second and third chapter, namely: What characteristics of Polish people entering the Netherlands and their position on the Dutch labor market are? This question was rather difficult to answer due to diverse groups of respondents. Polish immigrants living in the Netherlands for a longer period of time, registered in the GBA, and Polish temporary labor immigrants that came to the Netherlands with work as main motivation, rarely registered in the GBA. Because of the fact that this thesis investigated the impact on the labor market, I focused to a larger extent on the group of Polish labor immigrants because of their greater influence on the Dutch labor market. According to the SING report from 2011, 63% of all Polish immigrants were labor migrants (81% of men and 46% of women). Labor migrants (more often men) are in general lower educated than migrants that came to the Netherlands with another motive such as family creation with the native. However, they often do the work that they are overqualified for (37%). A typical Polish labor immigrant works in agriculture, production, construction or horticulture. A major part has temporary employment, often through an employment agency. They fill positions in the secondary segment of the labor market requiring low level of education (74% or 80% depending on the study). From these data we could conclude that Polish people working in the secondary segment of the labor market compete with the low educated and unemployed natives that have trouble finding employment that constituted the biggest group of unemployed between 2008 and 2012. However, the analysis showed a rather different, interesting, image. My interviewees have brought forward information that Dutch citizens avoid taking low skilled jobs due to many reasons. Many of them stay rather unemployed than to fill positions that are less sought after. Because of this situation there is a demand for workers that are willing to fill these vacancies, namely Poles.
The fourth chapter, based on existing reports and my own analysis of conducted interviews helped to further investigate issues such as demand and supply of labor in the Netherlands between 2008 and 2012. The most significant change with regard to the demand for labor was the fact that due to the global economic crisis, the priorities of Dutch companies with regard to personnel became to increasingly rely on their workforce. In the years before the crisis, structural staff shortages have been expected. Yet, due to the economic crisis, these were less significant than it was foreseen. The analysis of interviews showed an enthusiasm of Dutch employers with regard to the opening of the labor market for workers from the new EU member states, including Poland, because of the problems in filling the vacancies they have been facing for a long time. What is more, another significant finding indicated by all of interviewees is that before and during the economic crisis in the Netherlands it has been very difficult to find motivated, flexible, hard-working Dutch employees to work especially in production, horticulture and agriculture. Moreover, chapter V answered another significant question as to why Dutch employers are willing to hire particularly Polish workers. The most often mentioned reasons were an excellent work attitude, high motivation, high productivity, flexibility, determination, willingness to work and availability.

With regard to the theoretical underpinnings, I used dual labor market theory and tried to answer the question whether theory is in line with Polish immigration to the Netherlands on issues such as: demand for foreign labor, returns, motives for migration, educational attainment and labor market position. I conclude that the predictions of the theory to a large extent match with the immigration of Poles to the Netherlands. With regard to demand for labor and migration motive the theory completely coincide with the available data and information gained during interviews. However, when looking at the returns to the home country and the educational attainment we cannot definitely acknowledge whether the theory is in line with Polish immigration to the Netherlands between 2008 and 2012. Yet, the availability of the data on the position on the labor market allowed us to confirm this. On the whole in three out of five topics theory has proved to be completely in line with available data. Studying the theory helped confirming the statement about permanent demand for foreign labor. This demand is caused by character of economy in advanced countries. In turn it results in the segmentation of labor markets. Since 2004 this demand has been filled to a large extent by Polish employees.
In the last section, all things considered, I answered the main research question. The consequences of immigration on the labor market critically depend on the skills of the immigrants, the skills of existing workers, and the characteristics of the host economy. The immediate short-term effects of immigration on the employment and wages of existing workers depend particularly on the extent to which migrants have skills that substitute or complement those of existing workers. The skills (education level) of Polish workers in the Netherlands and existing workers are partially substitutes. However, Polish workers fill positions mostly in the secondary segment of the labor market (level of job performed) where high demand for motivated employees has been confirmed. This makes their skills complementary to those of existing workers (often avoiding low status jobs). If the skills of migrants and existing workers are substitutes, immigration is expected to increase competition in the labor market and decrease wages in the short-term. If, on the other hand, the skills of migrants are complementary to those of existing workers, all workers experience increased productivity which can be expected to lead to a rise in the wages of existing workers.

Thus, Polish labor migrants between 2008 and 2012 were not in competition with Dutch citizens in applying for jobs and hence did not negatively impact the level of wages nor did they take jobs of Dutch nationals. This argument has been confirmed by 14 conducted interviews during which some interesting finding came forward. Namely, that Polish people are willing to do the work that Dutch people are very difficult to recruited for. Moreover, the reason why a Dutch unemployed person will not do the job of a labor migrant has to do with the fact that the unemployment system in the Netherlands does not incentivize him/her. Dutch citizens often find the situation of being unemployed more favorable than taking low status, temporary vacancies.

I would like to conclude this thesis with a few quotes attained during my interviews attesting to the importance of the Poles to the Dutch labor market (the interviewees were asked what the consequences of the Poles leaving the Dutch labor market would be):

“What do you think would happen if suddenly all Polish workers leave the Dutch labor market?”

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176 G. Borjas, The economic benefits from Immigration, 1995
177 http://www.migrationobservatory.ox.ac.uk/briefings/labour-market-effects-immigration (Access September 2014)
“The Dutch economy would have a problem. This would affect the whole Dutch economy.”  

“A lot of sectors would be in deep problems if all Polish workers suddenly leave the Netherlands.”

“If all Polish workers would suddenly leave there will be serious problems in several sectors of the economy.”

“Dan heb ik een probleem. We zijn heel blij met ze.” ("Then I have a problem. We are very happy with them.")

“Dan heb ik een probleem. Ze (Nederlanders) willen gewoon niet. Dat is echt ongelooflijk. Uitkering is te hoog. Die noodzaak is er niet.” ("Then I have a problem. They (Dutch) simply do not want. That is really incredible. Unemployment benefit is too high. There is no need.")

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178 Interview ‘a’ with Mr. Janusz Wołosz, Second Secretary - political affairs, press contacts, Embassy of the Republic of Poland in The Hague, 06.08.2014, The Hague
179 Interview ‘b’ with Mr. Cees Werff, the President of the Netherlands Polish Business Council (NPCH), 11.07.2014, Amsterdam
180 Interview ‘g’ with Mr. Rob Ruhl, ING Bank, Economic Department, 16.07.2014, Amsterdam
181 Interview ‘k’, with company Fa. A.E. de Wit&Zn, 17.11.2014, Hoogkarspel
182 Interview ‘m’, with Mrs. Lia van der Gulik, owner of the company Maatschap van der Gulik, 08.12.2014, Wijdenes
APPENDIX

List of interviews


b. Netherland Polish Business Council (NPCH), Mr. Cees Werff, the President of the Netherlands Polish Business Council, 11.07.2014, Amsterdam

c. The Federation of Private Employment Agencies (ABU), Mr. Jochem de Boer, international flex migrants, 06.10.2014, Lijnden

d. Otto Workforce, Mr. Frank van Gool, Chairman of the board, 30.01.2015, Utrecht

e. Employment agency, anonymous interviewee, 5.12.2014, Groningen

f. Smilde Foods BV, Mr. Henk Bosman, human resources project manager, 21.10.2014, Groningen

g. ING Bank Economic Department, Mr. Rob Ruhl, 16.07.2014, Amsterdam

h. N.T.M. Transport, Mr. Jan Batterink, 06.11.2014, Emmen

i. Etienne Ruigewaard b.v., Mr. Etienne Ruigewaard, owner of the company, 17.11.2014, Middenmeer

j. W.DEBOER&ZN.BV, Mr. Jos de Boer, owner of the company, 17.11.2014, Westwoud

k. Fa. A.E. de Wit&Zn., 17.11.2014, Hoogkarspel


m. Maatschap C.M.G. van der Gulik en E.M. Blokker, Ms. Lia Gulik, owner of the company, 08.12.2014, Wijdenes

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Dutch Population Register www.cbs.nl

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