

Labour migrants from Central and Eastern Europe in the Nordic countries: -

Patterns of migration, working conditions and recruitment practices

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Patterns of migration, working conditions and recruitment practices



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Projects' Objective

- To generate new comparative knowledge on:
 - Labor migration from East Europe to the Nordic countries/
 - Factors influencing working conditions of the migrants in the receiving countries
 - The scope of social dumping
 - The role of temporary agencies in recruiting labour
- The knowledge retrieved from the project will be used to prevent social dumping and improve the working conditions of the migrants in the respected countries, something that in turn will improve the recruitment of foreign labourers in the respective countries.

Organization of the project

The project is conducted in cooperation with several research groups:

- Denmark: FAOS – Employment Relations Research Centre – Departm. of Sociology, University of Copenhagen (Søren Kaj Andersen, Jens Arnholtz Hansen, Nana Wesley Hansen, Klaus Pedersen, Ingvill Stuvøy)
- Iceland: CIRRA/(MIRRA) – Center for Immigration Research Reykjavik Academy (Frida Thorarins, Anna Wojtynska)
- Norway: Fafo Institute for Labour and Social Research
(Line Eldring, Jon Horgen Friberg, Kristian Rose Tronstad, Kristin Alsos)
- Sweden: SOFI Swedish Institute for Social Research, Stockholm University (Eskil Wadensjö, Pernilla Andersson Joonä)
- Poland: CMR - Centre of Migration Research, Warsaw University (Pawel Kaczmarczyk, Joanna Napierala)

Three Division of Project:

- 1) Changing patterns of labour migration to the Nordic countries
- 2) Social dumping in the wake of the EU-enlargement: Working conditions and working environment among Polish migrants in Oslo, Copenhagen and Reykjavik
- 3) The role of recruitment and temporary work agencies

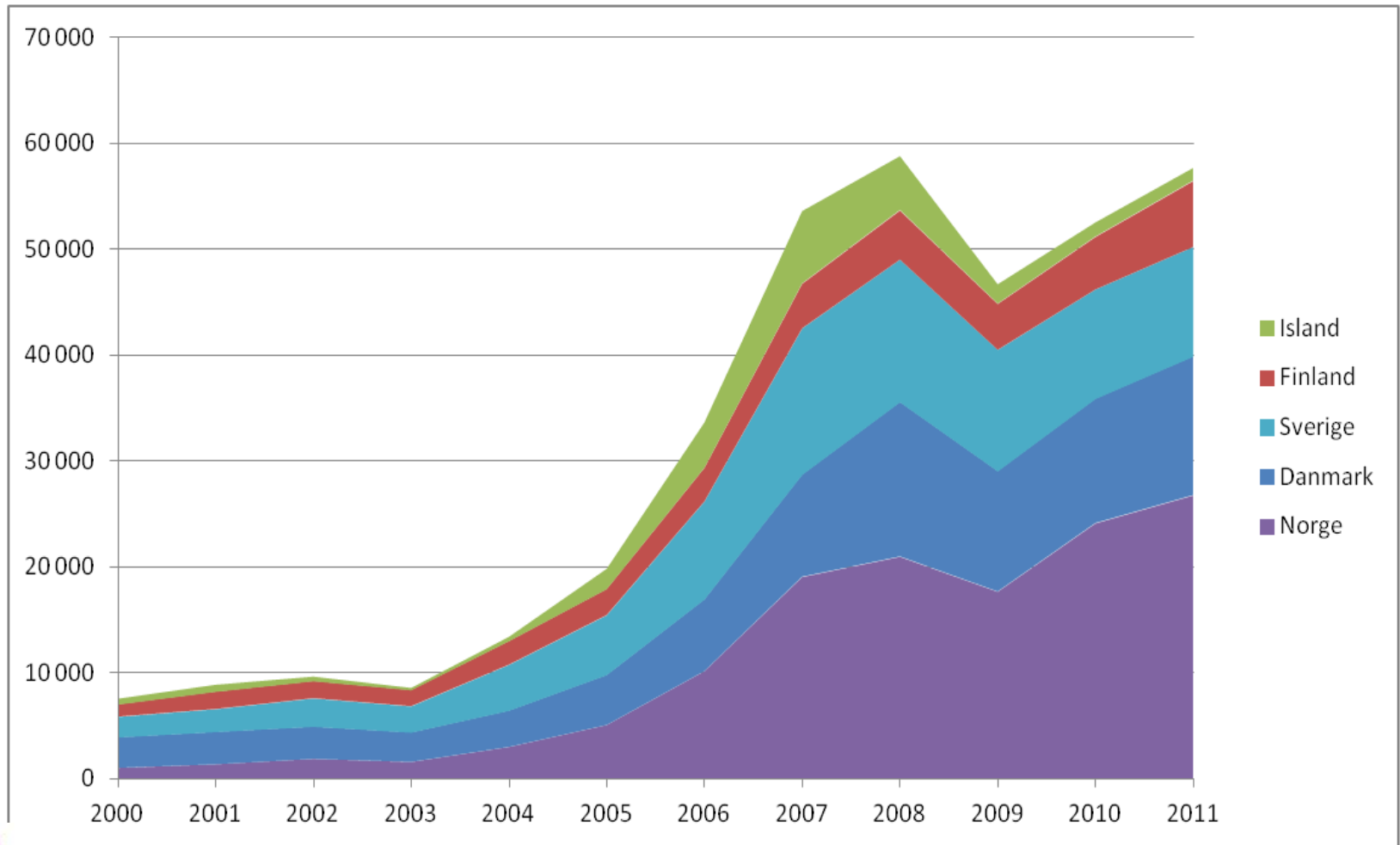
Division 1:

Changing pattern of labour migration to the Nordic countries

Objectives

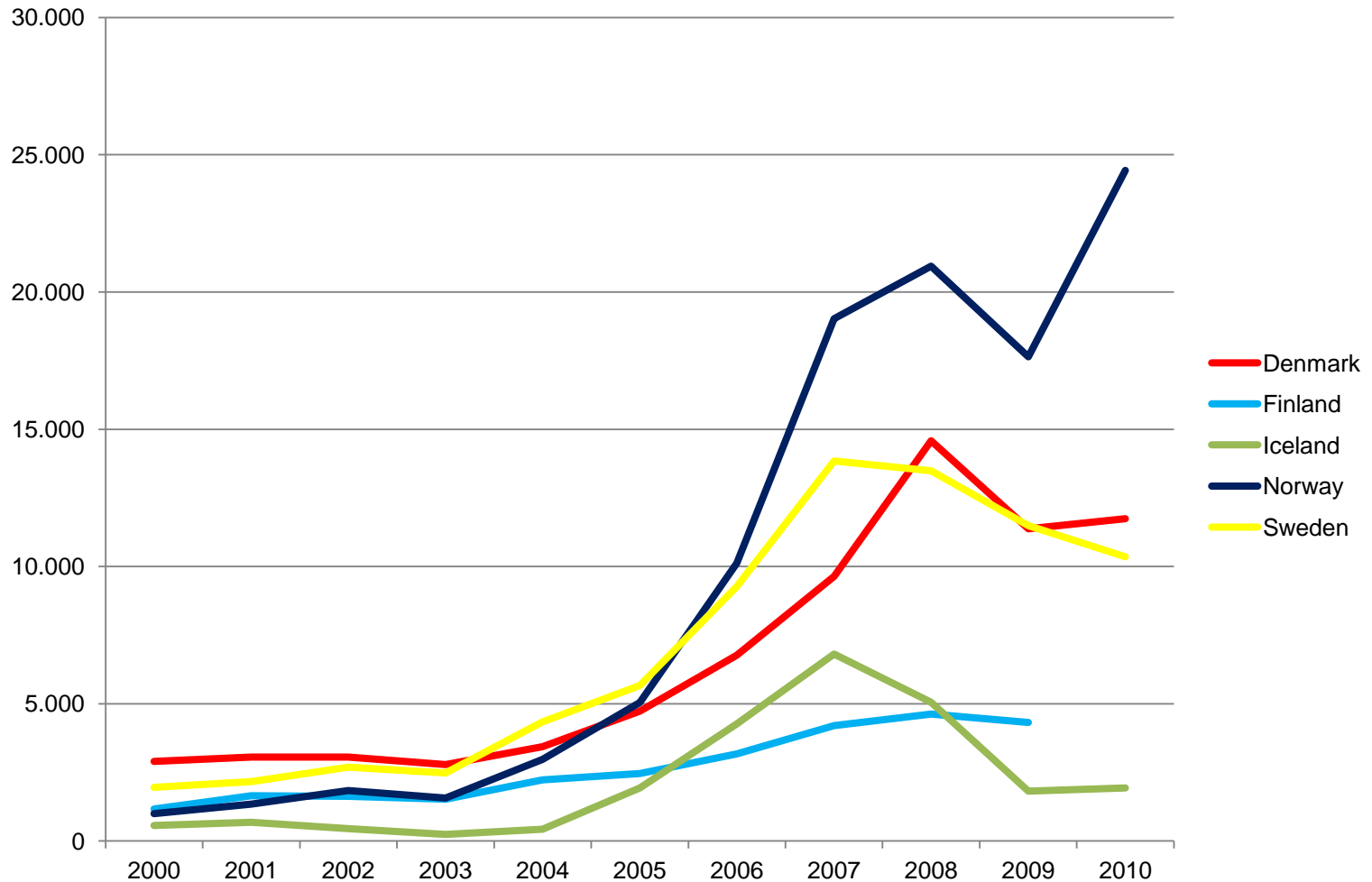
- Descriptive analysis and comparison of the direction, scope and composition of migration flows to the Nordic countries.
- What factors can help explain the migration flows?
 - Economic "push- full" factors
 - Transnational networks
 - Political authorities
 - Other

Immigration flows from the EU8 +2 to the Nordic countries



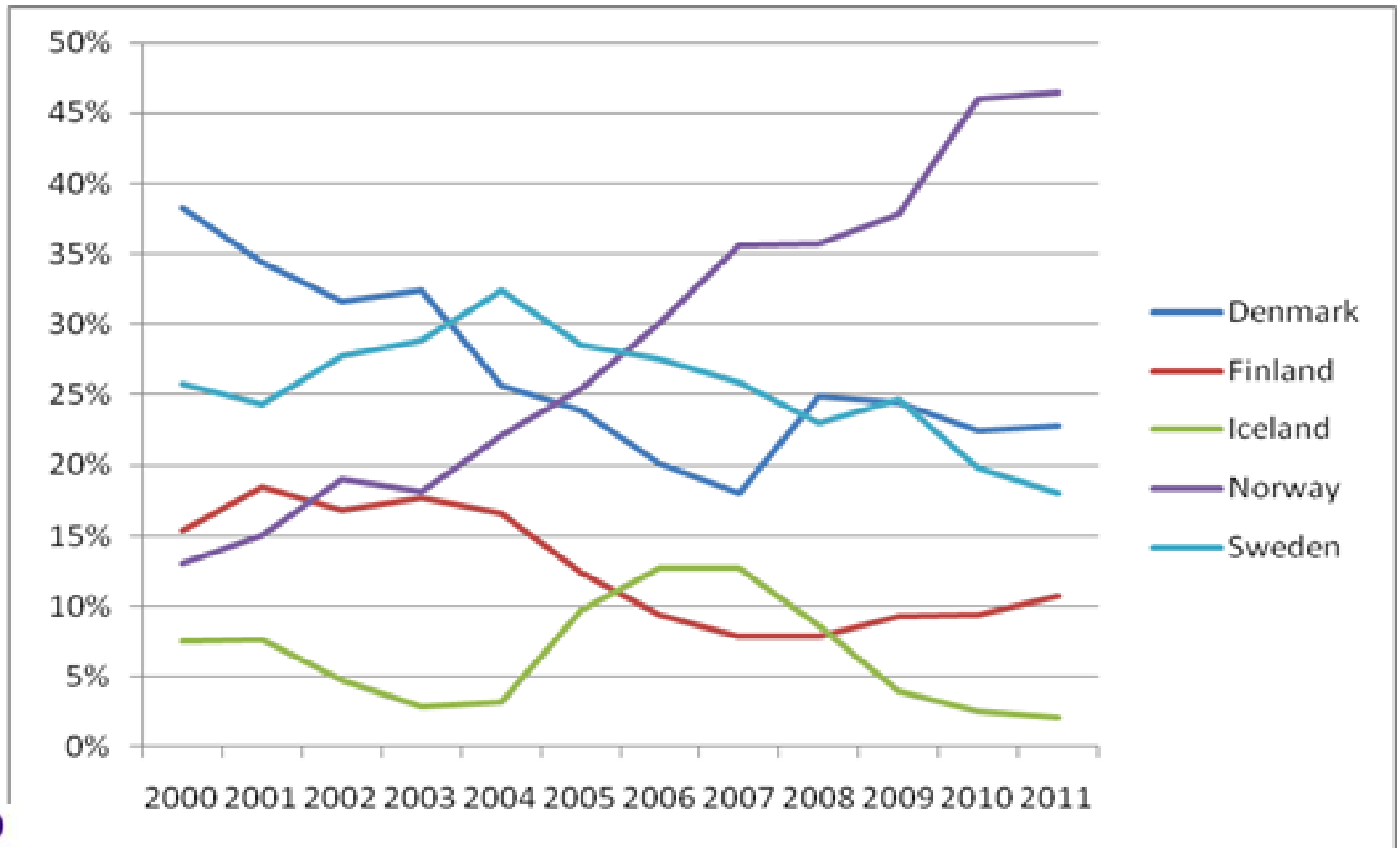
Immigration to the Nordic countries from the new EU member states

Inflow to Nordic Countries from EU 10



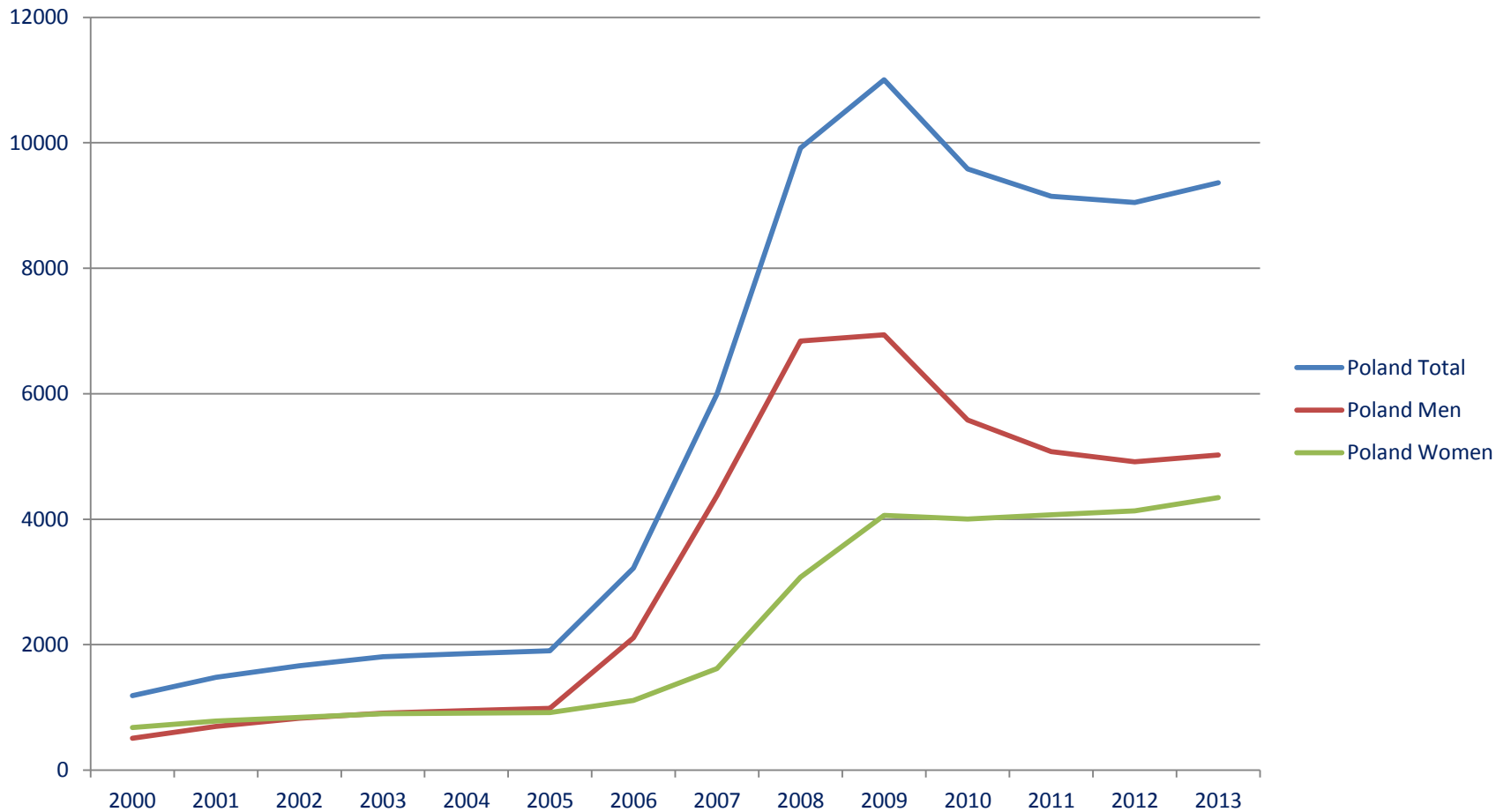
Source : Nordic Bank of Statistics

Migration from EEC to the Nordic countries – Why did Norway become the most important receiving country?.



Poles in Iceland 2002-2013

source: Statistics Iceland



Why Norway became the most important destination country?

- Low unemployment and very high wages (but also high prices)
- Economic expansion in a crisis ridden Europe
- Increased prosperity and structural changes in the central labor market – demand for laborers willing to perform unattractive jobs (low status, low wages, little security)
- Restricted access to domestic laborers!
- A relatively “unregulated” labor market compared to the other Nordic countries.
- Liberal regulation for recruiting and temporary agencies – growing “migration industry”
- self-reinforcing network effects – pre 2004 links in agriculture and construction industry.

Division 2: Social dumping in wake of the EU extension

- Labor environment, working conditions amongst Polish labour migrants in Oslo, Copenhagen and Reykjavik

Objective: To describe and explain differences in the working environment and working conditions amongst Polish laborers in the three Nordic capitals across industries and countries.

Main problem: To what extent are the different Nordic employment authorities equipped to protect migrant laborers against low wages and deplorable working conditions?

Method: Detailed analysis based upon quantitative surveys amongst the Polish labor migrants in the three cities (Polonia surveys)

The debate on social dumping

- **What is social dumping?**
- A breach of labor law coupled with unacceptably low wages
- Not an analytical but a political concept – impossible to restrict! But the mechanism is real.
- Employers looking to cut cost, recruit laborers from poor countries with fewer alternatives and therefore willing to accept lower wages
-
- **Why fear social dumping?**
- Respect for domestic laborers – wage pressure and displacement of weak groups
- Respect for the migrant laborers – increased social inequality along ethnic lines
- Respect for the legitimacy and function of institutions
- Respect for the sustainability of the welfare state

Regulation of minimum wages in the Nordic countries

	Degree of organization (Union membership) (2009)	Collective agreement coverage (2009)	Statutory minimum wages?	General application of collective agreement?
Norway	52	74	No	Yes, no
Denmark	68	80	No	No
Iceland	85	99	No	Yes, widespread
Sweden	71	91	No	No
Finland	69	90	No	Yes, widespread

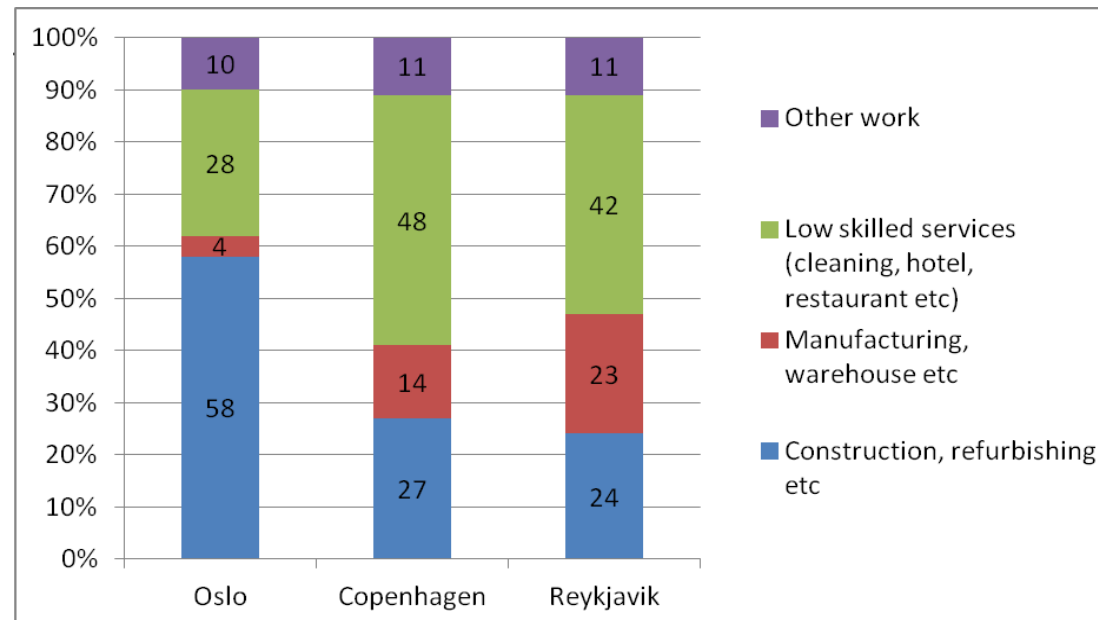
Small differences in the selection and composition of Polish immigrants to the three cities in terms of age, gender, education etc.

Reykjavik differs:

- Distribution between sectors is greater
- Gender ratio more even
- Much higher percentage of spouses live in Iceland

Table : Distribution of characteristics of Polish migrants in Oslo, Copenhagen and Reykjavik in terms of gender, age, educational level, and family situation. N=1500

		Oslo	Copenhagen	Reykjavik
		n		
Gender	M/F	64/36	60/40	55/45
Average age	Men	37 y	33 y	38 y
	Women	35 y	31 y	34 y
	Total	36 y	32 y	36 y
Partner	No partner	28 %	31 %	31 %
	Partner in Poland	31 %	24 %	10 %
	Partner in host country	42 %	45 %	59 %
Education	Unskilled or general secondary	20 %	21 %	22 %
	Secondary vocational or technical college	62 %	60 %	58 %

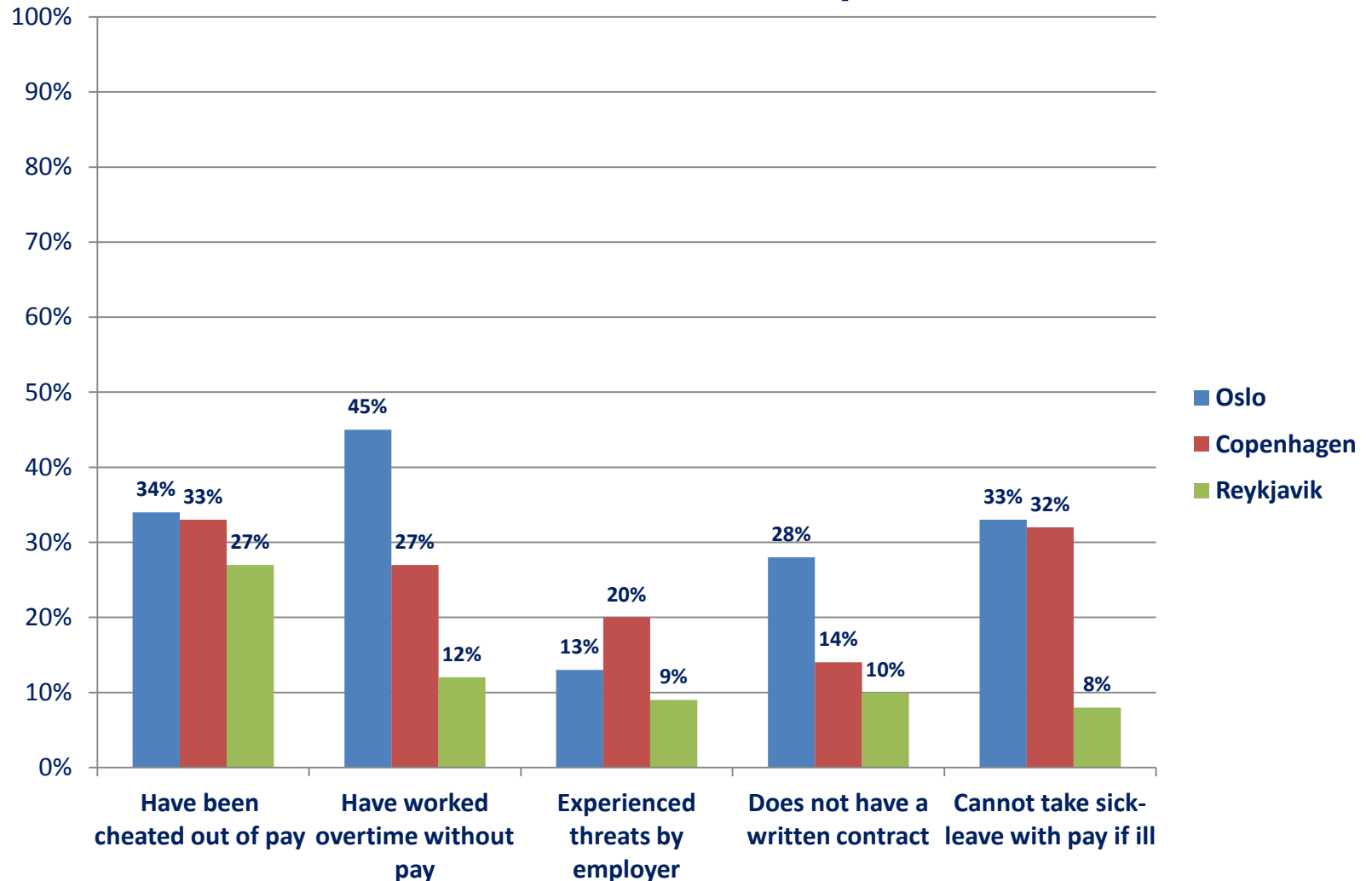


Wages amongst Polish workers in the three Nordic capitals – Absolut and relative price adjusted wages



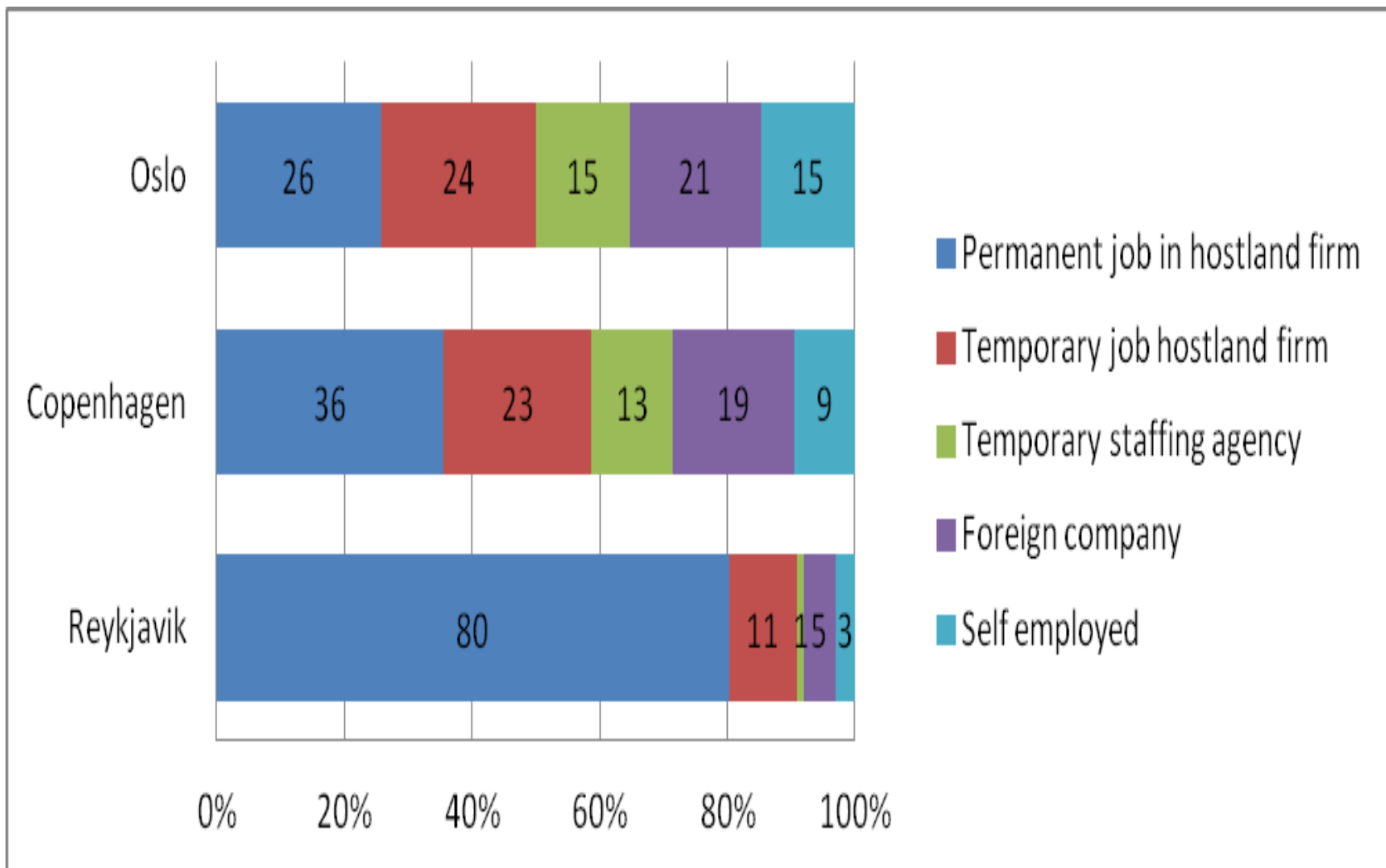
Average hourly wages in Poland before emigration: 12-18 Zloty

Percentage of those who have experienced different kinds of illegal working conditions in the three Nordic capitals



Ordinary or atypical employment?

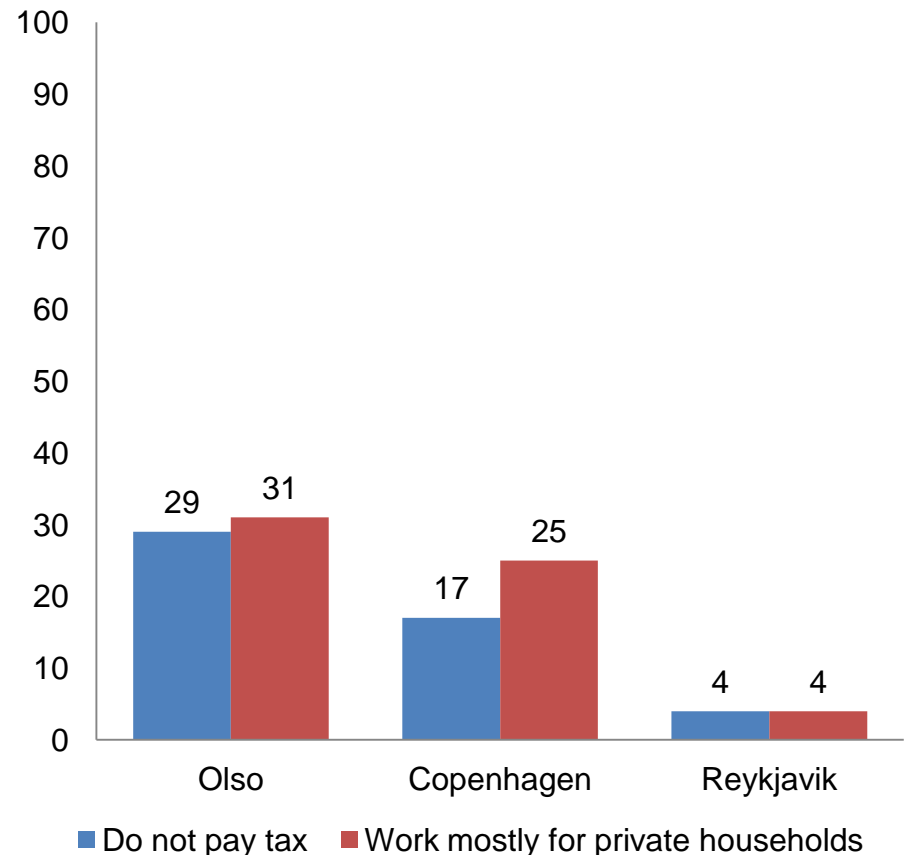
Types of employment amongst Polish migrants in the three Nordic capitals



Off the books (black) work and work in private households

Large market in Oslo, little smaller in Copenhagen, almost non-existent in Reykjavik

- Strong relation between taxes and work in private households.
- Off the books jobs also found the business market
- And “white” or legal work in the private household market
- Most common in the cleaning sector and the construction industry



Risk factors tied to low wages and bad working conditions

- Low skilled service work
- Little education and short residence in host country a risk of low wages but does not explain bad working conditions
- Employment in Polish firms (posted workers) is a big risk for low wages
- Atypical employment in general increases the risk for bad working conditions
- Shortage of a union representative in the work place and work catered to the private household market increases the risks for both low wages and bad working conditions

- **Important difference between the three cities**
- Oslo: Low wages highly tied to posted workers and employment catered to private households. Bad working conditions highly tied to atypical employment in general

- Copenhagen: Presence/absence of a union representative much more important for both wages and working conditions and in Copenhagen than the other cities. Educational competence has more weight in Copenhagen. Less space for wage rise in the long run

- Reykjavik: Much smaller labor market and structured in different sectors than in the two other cities. Little irregularities but «all» end up on minimum wages far beneath average market wages. Low skilled service jobs most at risk

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Different "regimes" with different challenges

Oslo: «Weak» collective institutions, ad-hoc universalism and «vulnerable» incorporation of the marginal zones of the labor market – but a certain success regarding an establishment of a wage floor.

Main challenge: To use the maneuvering room within the EES agreement to create «water tight» regulation regime.

Copenhagen: Robust equity-oriented collectivism – but with much clearer «inside/outside» - issues

Main challenge: To include new arrivals into the organized working life.

Reykjavik: Flexible universalism, with large space for low wage competition within the confines of the «ordinary» working life.

Main challenge: Create room for mobility through recognition / eligibility

Developments in the staffing industry and the recruitment of foreign labor? - Five country reports

- Poland:** Hefty growth in the staffing industry market. The Norwegian market stands out. Diversity of actors from individual intermediaries, to global companies. Often involved in complex supply chains. Specialization in specific markets based on personal contacts. Some irregular activity, but increased enforcement and control of the Polish authorities.
- Norway:** From temp agencies to migration industry. Expansion to new markets based on large-scale recruitment in the east. Hiring of migrant workers established a permanent solution to labor challenges in broad industries such as construction and manufacturing. Towards an institutionalized A and B teams?
- Denmark:** Signs of the development of a migration industry, but not in the ordinary staffing industry as in Norway. Different actors, gray areas and under-reporting hampers visibility, but the growth of the staffing market in the outskirts of organized labor.
- Sweden:** More mature industry, with strong agreement regulation. Some focus on international recruitment in certain special forces, but has not quite developed into a migration industry - no investment in Eastern Europe, partly due to strict regulation, partly good access to domestic labor.
- Iceland:** Newcomers in the staffing field. Unregulated explosive development related to the recruitment of foreign laborers in the period 2005-2007. Political conflict and re-regulation brought the industry into the Icelandic regulatory system, against powerful opposition. Regulation of industry coupled with the economic crisis of 2008 led to its collapse. Today the industry is "dormant".

Divison 3:
Staffing agencies' role?
As recruitment agents,
intermediaries and employers

The role of temporary staffing agencies

- **Objective:** Research and compare temp agencies and the staffing industry and their role in recruiting and dissemination of East European migrant workers to the Nordic countries
- **Method:** Comparative analysis of available registration data in Poland and the Nordic countries, review of regulations, in addition to case studies in staffing companies and expert interviews in each country

Regulations

Reform and restructuring of regulations in the 1990s in Denmark, Norway and Sweden, but extent of deregulation differs between countries.

- Denmark has (almost) no restrictions on posted workers whereas Norway puts demands on temporary needs
- Different regulations are partly tied to what role the parties themselves have regulated the industry through collective agreements – agreement regulated in Sweden and Denmark but to a low degree in Norway
- Contractual regulations on guaranteed salary are in effect in Sweden
- Norway has received official approval
- How will the EU directive on staffing agencies / temporary work (2008/104/EF) effect regulations and practice?
- - Contains amongst other things the principle of equal treatment and restriction bans.

Staffing industry as migration industry - some general features

- Helps with information, logistics, practical support and matching of supply and demand in complex transnational labor markets. Thereby helping to lower the threshold for workers to go abroad - and for corporate use of foreign labor
- Access to foreign labor and expansion into new markets - EU enlargement explains much of the staffing industry's growth in the Nordic countries
- The temp industry has traditionally covered temporary need for numerical stability (sickness, leave, shift issues, etc.)
- The emerging migration industry covers to a greater extent the permanent need for numerical flexibility and cost control
- Various challenges related to regulation and control - social dumping, uncertainties related to income, may impede skills development. Big difference between different segments of the industry
- The industry itself believes it ensures employers and workers' needs in an increasingly flexible labor market
- Critics will argue that staffing → increased flexibilisation → uncertainty for workers → risk of the welfare state (see next page slide from Norway)
- Conditions for the emergence of a migration industry (which to varying degrees have been present):
 1. Relatively liberal trade regulations ☐ staffing as a flexible alternative
 2. Economic expansion and the great need for flexible low-skilled labor
 3. Difficult access to domestic labor
 4. Access to potentially inexpensive and flexible foreign labor

Thank you