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Germany's Labour Market Opens to Non-EU Workers: Implications for Poland

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In March 2020, the new "Skilled Immigration Act" for qualified professionals from non-EU countries will come into force in Germany. Polish employers are concerned that better employment conditions in that country will encourage Ukrainian economic migrants to leave Poland. However, only some of them will meet the criteria stipulated in the act. If Poland adopts a new labour law improving the procedures for employing foreigners, there likely will be no mass emigration of Ukrainians to Germany in the coming years.

Change in Policy. The German parliament on 7 June adopted the Skilled Immigration Act, which will enter into force on 1 March 2020. The legal changes respond to the high demand for specialised staff because of the ageing population and smaller working-age population. The new regulations will facilitate access to the German labour market in every sector without restriction to occupations facing a skills shortage and without the need to test the availability of local workers first. In particular, doctors, physiotherapists, nurses, experts in aerospace and energy technology, IT specialists, and craftsmen in the construction industry are in demand. The prerequisites for employment are German language skills at the B2 level and vocational qualifications recognised by the relevant authority in Germany (IT specialists are exempted from this obligation). The legislation allows people who have completed vocational training to come to Germany for six months to seek work but they must support themselves financially during this period.

The shortage of skilled workers has become a problem for German companies. Even with the influx of refugees between 2015 and 2018, improved employment procedures introduced in 2016 for foreigners from the Balkans, and labour migrants coming from other EU countries (especially from Central, Eastern and Southern Europe), these inputs have been unable to fulfil the constantly growing demand for qualified workers. In 2018, there were 1.2 million job vacancies. In addition, research conducted by the German Bertelsmann Foundation in 2018 indicates that the number of immigrant specialists coming from other EU countries will be decreasing due to demographic and economic reasons faced by those countries.

Ukrainian Immigrants in Poland. The procedures facilitating the employment of qualified foreigners and higher wages in Germany than those typical of Polish businesses have raised concerns that a large number of Ukrainians employed in Poland may prefer to work in Germany.

Ukrainian citizens have been immigrating to Poland in larger numbers since 2014. At present, there may be about 1.3 million Ukrainians living in Poland, compared to about 250,000 in Germany. Data are imprecise because of the circular nature of the migration and kinds of employment. The main reasons Ukrainians have been coming to Poland are the low wages, drop in living standards, and insecurity resulting from Russia's annexation of Crimea and involvement in the ongoing conflict in eastern Ukraine. In addition, geographical proximity enables Ukrainians to travel home regularly to keep in contact with family.

Language and cultural similarities facilitate everyday communication, so employment without speaking Polish is not problematic for Ukrainians. They usually emigrate for economic reasons but some have come to join family members or to study at a Polish university. Ukrainians are generally employed in the industrial sector as craftspeople, operators, or assemblers of machines and devices, as well as office workers and in sales. Generally, they perform simpler jobs that do not require high qualifications. The current “Act on Employment Promotion and Labour Market Institutions” allows employment on the basis of a work permit (up to three years) or a declaration on entrusting work to a foreigner (for a period not exceeding six months). Most foreigners are employed through the declaration option, which is a simpler and faster way (it takes several days) than the procedure for applying for a work permit (which takes several months). The draft Polish labour market act changes the extension period of a declaration to up to 12 months—a solution already adopted by the Czech Republic and Slovakia, which compete with Poland for Ukrainian workers. The draft law also provides for the possibility of submitting the application in electronic form. However, the draft is still underway and it is not known when it will be finished and adopted.

Germany’s Changes and Poland. The German labour market is attractive for Ukrainians given higher wages than those typical of Polish employers. Research studies conducted by the Polish-Ukrainian Chamber of Commerce show that up to 70% of respondents consider the higher income to be the main advantage of working in Germany. At the same time, 70 % of Ukrainian migrants positively assess employment in Poland and up to 60% declare their willingness to continue working in the country. Despite planned facilitations in Germany to access to its labour market, proving one’s vocational qualifications and adequate German language skills may present such a high barrier that many foreigners will not be able to overcome it. A poll conducted by EWL S.A. and the Centre for East European Studies of the University of Warsaw indicates that every third Ukrainian living in Poland considers moving to Germany. However, up to 70% of the respondents declared they do not know German, which is and will remain the basic condition of employment in that country, even with the changes in legislation. Language skills are necessary when assessing the qualifications of a foreigner interested in working in Germany. The assessment is carried out by one of the German representative offices located outside of the country. The official recognition of a worker’s qualification is only made upon arrival. The Polish labour market, unlike the German one, does not impose similar conditions. According to the studies above, more than 40% of respondents stated that their lack of knowledge of Polish does not prevent them from practising their profession. This is why the majority of Ukrainians who live and earn in Poland will not move to Germany. They will still come to Poland mainly for jobs that do not require proof of qualifications or knowledge of Polish.

However, the German labour market may attract young Ukrainians who have completed their studies and gained professional experience in Poland. Several years’ stay in Poland is sufficient to acquaint them with labour standards similar to Western European ones and thus to overcome integration difficulties. Nevertheless, they represent a small group of people. According to the EWL S.A./Centre for East European Studies research, only 2.6% of Ukrainians employed in Poland (not just the young ones) meet all criteria set out in the new German law.

Conclusions. The new German regulations should not affect the overall structure of the Polish labour market in the coming years. Among the large group of Ukrainian employees in Poland, few will be able to prove they have sufficient qualifications to meet the German standards and only a few know German.

The Polish requirements remain more possible for Ukrainians than the German ones; therefore, they will still come to Poland. If the proposed new law on procedures for employing foreigners in Poland passes, Ukrainian migration could even increase. Extending the allowable period of work based on the declaration option and creating the possibility of applying for it electronically will reduce the formalities related to the legalisation of work and give more time to extend the work permit.