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LABOUR MARKETS FOR RURAL POPULATION: COMMUTING AND MIGRATION ABROAD¹

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Abstract

In the absence of a satisfactory level of jobs offered in rural areas, achieving of the supply-demand balance in the labour market can be supported by labour migration, both internal and external. Paper discusses the labour market for rural population in terms of commuting and working abroad. Study showed that the average labour market for the rural inhabitants is local and consists of cities located close to the place of residence. They generate demand for labour force and allow rural development through the transfer of knowledge and capital. Moreover, in 88.2% of surveyed villages the migrations abroad were reported. Next to Germany, UK and Ireland, an important direction of migration of the rural population were the Netherlands and Belgium, Italy and the Scandinavian countries.

Key words: labour market, rural areas, migration, Poland

JEL: J61, J29, R23

Introduction

The overall socio-economic conditions in agriculture and the necessary structural changes in the sector aimed at improving its competitiveness and ensuring a satisfactory income from agricultural activities are related to a reduction in the number of employees in individual farms. Reduction of employment in the area of agricultural production will be largely conditioned by the processes of concentration of means of production, especially land and situation on local labour markets offering off-farm employment (Sikorska, 2001a; Karwat-Woźniak, 2005).

Transformations of the rural population did not only concern changes in their number and demographic structure, but they were also expressed in changes in the relationship between the rural households related to the farms (farming) and not having an agricultural property (non-farming). The field research of IAFE-NRI shows, that along with the economic development progresses the process of urbanisation of rural areas, which is

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expressed e.g. in a reduction of the size of the agricultural population to the advantage of the non-farming population.

The study of IAFE-NRI shows that over the last six years the percentage of farming families among all of the residents of the villages in question, have decreased. In the study sample of the population surveyed in 2011, the number of rural non-farming families, that do not have any land or use parcels smaller than 1 ha of UAA, represented less than 40% of all respondents and was about 3 percentage points (pp) lower than six years ago. Thus, compared to the period before the political transformation the share of farming families in the study population of rural families decreased for almost 20 pp. According to Central Statistical Office (CSO 2012) in 2002-2010 almost 34% of farms up to 2 ha disappeared, however, the number of farms from the group of 2-10 ha decreased by almost 18%. On the other hand, the increase in the number of the largest farms testifies to the process of professionalization in agriculture, where farms of this type operate on market basis, as in the case of small and medium-sized enterprises. The main determinant of the process was abandonment of agricultural activities by rural population and its activation in other sectors of the economy or the ceasing production activities due to reaching the retirement age.

According to the Labour Force Survey (CSO 2012), at the end of 2012, there were 6.8 million economically active people among the rural population aged 15 and over, what constitutes more than 56% of the rural population in this age group which have an established status in the labour market. This group consisted of over 6.1 million of the employed and almost 0,7 million of the unemployed.

Rural areas development can be implemented on strengthening the residential function (settlement) and links with cities (i.e. agglomerations). As regards the labour market, the development of the centre generates demand for labour force of its periphery and allows their development through the transfer of knowledge and capital. The range of impact of the centre on this area is associated only with the quality of transport infrastructure and the degree of matching qualifications of labour force from rural areas with the needs of the local labour market.

Greater demand for labour force would enable to stop the process of depopulation related to constant migration (for work), improvement of the standard of living of the residents, and, at the same time, the business activity on rural areas would positively affect the overall economic development of rural areas.

The paper analyses the characteristics of local labour market for rural population in terms of its spatial extent. Research findings presented in the paper are based on various source data available, the main empirical material being the findings from field survey conducted in 2011 by the Institute of Agricultural and Food Economics – National Research Institute. The survey covered 76 villages across Poland (inhabited by more nearly 9 thousand rural families). The qualitative analysis was carried out on the basis of village questionnaire (observation chart) called The Village Characteristics. Both the chart and interviews with village representatives concerned mostly the local social and technical infrastructure, the specificity of the village, its location and institutional relationships, determining the main

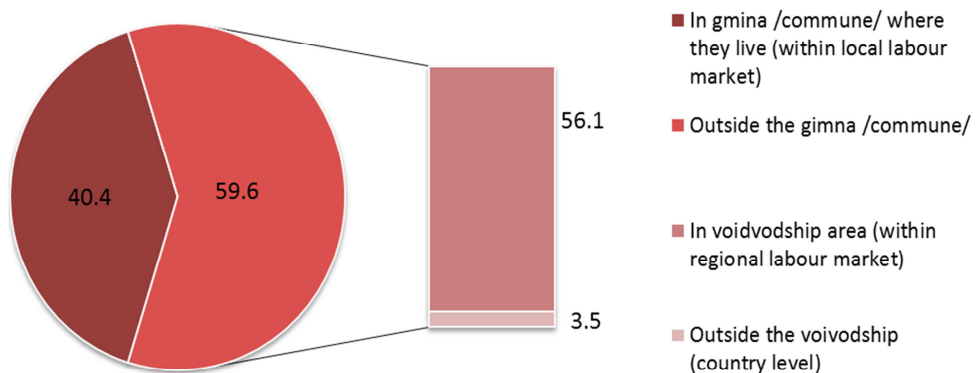
places (cities/villages) and entities, which, in the vicinity of a village are decisive for its development and situation of rural inhabitants on local labour markets.

Commuting of rural population

In 2010, the average number of working rural residents amounted, according to the Labour Force Survey (CSO 2011), to 6.0 million, where 3.4 million people commuted to work, i.e. 56.8%. With the support of aid resources, the scale of investment in road infrastructure increased, which contributed to the improvement of the roads in recent years and reduction in travel time. This is reflected in the increased number of commuters in the total number of employees. Between 2008 and 2010, the number of rural residents commuting to work has increased by 131 thousand. In 2010, among all employed people in the country who have worked outside their place of residence, 33.5% were rural residents and this level was ca. 2 pp higher than in 2008 (CSO 2012).

Data from IAFE-NRI field studies of 2011 concerning commuting to work were very close to those recorded in the frame of LFS. According to the information received, among the inhabitants of the villages surveyed, 59.8% of those working outside the agriculture accounted for people who travel to work daily.

Figure 1. Working (off-farm) population according to place of work [%]

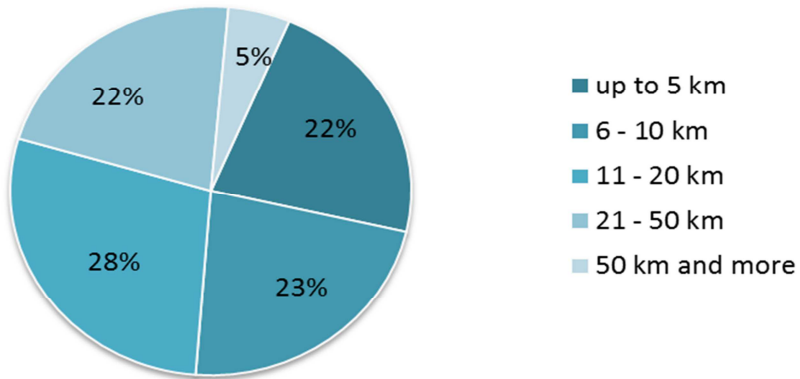


Source: IAFE-NRI study 2011.

Information about the spatial size of the local labour markets calculated as the average distance to the workplace are supported by the LFS data for 2010, according to which among people working outside their place of residence, 96.5% worked in establishments situated in the voivodship in which they lived (Figure 1). In the geographical structure of the labour market the essential importance for creating the demand for labour belongs to companies of the gmina, in which commuters are living. There worked 56.1% of all employed persons who work outside the village, in which they lived in.

On the way to work the village residents travelled an average distance of 18 km, while 44.8% of the commuters were working less than 10 km from the place of residence. Another 30.2% moved to a place of earning at a distance from 11 to 50 km (Figure 2). Within the surveyed group there were people who made a distance of 185 kilometres every day and were employed outside the country. This was possible thanks to the location of the villages in the vicinity of highway and thus significant reduction of average travel times on such a large distance. A total of 5% of the general number of commuting people travelled on a daily basis a distance greater than 50 km.

Figure 2. Commuting of rural inhabitants in Poland in 2010



Source: (CSO 2011).

In the spatial structure of the labour market, the companies from the urban are played an essential role in creating the demand for work. In such location worked 40.4% of all persons working outside the village, which has been their place of residence. Data from survey IAFE-NRI indicates that 44.8% of commuters were overcoming a distance not greater than 10 km.

An important criterion for the possibility of extending the local labour market is the travel time to the establishment that offers jobs. As already mentioned, the positive changes in the infrastructure have the effect of increasing the opportunities to seek employment in companies getting further in relation to the place of residence.

Commuting time

There is commonly observed change in the perception of physical distance, which is estimated not only by the criterion of distance travelled, but by the time of travelling. This factor has for long been an important criterion for the choice of place of residence in the cities and in the rural areas determines the advancement of urbanization.

Travel time to agglomeration decides on the deployment of urban migration from cities and settling in suburban towns. Thus, the travel time to work and to public use utilities are increasingly gaining importance as an important factor in the development of rural areas compensating or even substituting the lack of developed infrastructure within it.

According to the study of IAFE-NRI majority of working at a distance from the place of leaving were living within the distance that could be done at the average in 18 minutes. More comprehensive information in this regard is provided by the median value by which we know that half of all companies that created jobs for the residents of surveyed villages were located within the distance that could be overcome in less than 12 minutes.

Travel time to work was a bit different, depending on the spatial position of the village. Relatively the lowest average value of the ratio of commuting time was observed regions of the south-east and south-west, which means better organized labour, with relatively more enterprises creating the demand for labour, located in the vicinity of the residence place. This does not change the fact that a well-developed transport infrastructure allows to search for work at a greater distance from the place of residence without significantly affecting travel time and inconvenience.

Transport modality

The issue complementary to characteristics of local labour markets available for the residents are methods of commuting to work. Research from the 2011 documents that the residents working outside the village usually travelled to work by car.

Problems of state-owned public transport system in transition period had reduced the network and the number of connections, which primarily affected rural inhabitants. Among the reasons for the collapse of the passenger transport, the expansion of individual automotive equipment can be pointed, changes in communication needs of society, the lack of restructuring state-owned enterprises and binding to the deteriorating standard of service (Zdanowski 2012). In localities where the demand for these services was large enough, the loss in the number of public transport connections was completed by private companies. In all rural localities changes in the public transport sector also stimulated the process of buying cars among the village residents. As a result of that, the own car has become the dominant means of communication of people working outside the inhabited village.

Commuting to work by public transport accounted for a solution for 16.3% of commuters in the surveyed villages. In some cases, a means of transport was also a bicycle.

Changes in the public transport market were well documented by the study of IAFE-NRI, according to which 93% of the surveyed villages had bus transportation, and 17% more rail. The dominant carrier between car companies was state-owned, while in 60% of them there was also a private carrier operating in the village. In the villages having the diversified structure of available bus operators the residents reported significantly higher satisfaction with the services, than the places served only by the state-owned carrier. This was due to higher average number of connections, which amounted to 15 courses a day, compared to 9 courses in the other cases.

In the villages located on the rail trail number of train courses was on average 8 per day. The research shows that in all the villages which had both bus lines and rail transportation, the needs of residents were fully satisfied. It should be noted that the residents of the villages did give a better rating to rail services than to the car transport. This is evidenced by the fact that in the villages with the railway station, more than half of commuters chose that mean of

communication. In rural areas with only the bus transport the shares of individual means of transport was similar to that generally analysed group.

Popularity of individual means of transport among commuters varied depending on spatial structure. In this case, the percentage of car commuters in the total number of people working outside the village was 82.2%³. Although the share of commuters using the car was clearly dominant in the villages of all the analysed regions, one can point to slight differences in this respect. Residents of south-eastern region relatively more often than the others, used the means of transport. Such persons constituted in the described group up to 30%. This was due to the relatively higher than in general, share of villages situated on the rail way. However, in the case of villages of that area, also the rate of residents using the bus communication was the highest. In these villages relatively frequently alongside the national carrier operated private transport companies, which offer the tailored transport to the communication needs of residents.

In the absence of a satisfactory network of public transport connections, the dominance of commuting to work by car was even more pronounced, as exemplified by the high share of car use in the south-west and north regions.

The presented material allows distinguishing the factors determining the extent of local labour markets. The surveys shows that their territorial sphere for the most part is limited to the community and neighbouring communities, and for the vast number of people working away from home closes within the region.

The main factor in the choice of place of earning is time of arrival. In view of the insufficient number of work in the place of residence, the size of the labour market accessible to the rural population is primarily depending on conditions of road infrastructure and the quality of public transport companies. Surveys have shown that an important role in this respect comply with private companies. They offer transport services appropriate to the needs of residents as evidenced by the opinion of the respondents, and declared satisfaction with communication connections with urban areas, rural areas and other rural localities.

It must therefore be concluded that the improvement in the labour market is determined by the scale of support for networks of transport and measures to improve economic infrastructure, especially roads.

Migration abroad

Labour migration, both internal and external, is an important element of balancing supply and demand in the labour market. By reducing the unemployment rate and the financial transfers made by migrants to their places of origin, this form of earning have potentially significant impact on local development (Kotowska, Matysiak, 2007).

The motives of migration are explained according to their nature and object of study, i.e. whether the analysed migrations are internal (domestic) or external (international). It is also

³ For the needs of full description of ways of using different means of transport when moving to work in the analysis the bicycle commuters were omitted in this point.

important to examine the migration processes from the point of view of the local community, or in national terms. The factors influencing migration decisions can be divided into those operating in the country of origin (push factors) and from the country of destination (pull factors). They have the impact on the household level, the local community level as well as the region or country level (Jaźwińska, 2000). In addition to exogenous conditions, the significant impact has also individual characteristics of a person who decides to migrate and cultural factors, i.e. so-called traditions or culture of migration (WUP 2010).

In the group covered by the survey done by IAFE-NRI in 2011, in 88.2% villages the migrations abroad were reported. In calculation to one surveyed village in years 2005-2011 an average of 14 people migrated or was regularly travelling abroad to work. Among them there were both seasonal workers and those for whom it was the main place of employment.

The studies have shown that there are regions where the intensity of migrations is particularly high. In all the surveyed villages located in the south-west and north macro regions there were families whose members worked abroad. In the first case, the tradition to work abroad is very old, which translated into foreign contacts helping another people to migrate. Labour migration was also a response to the weakness of the local labour markets that were not able to meet the demand for labour created by the rural community.

The mechanism of migration of rural families' members to a large extent explains the new economic theory of migration (Janicki, 2007). According to that theory, the migration decisions are made not individually, but within a group of people dependent on one another. The basic unit of decision-making, according to this theory, is a household whose members consider the economic situation and the possibilities of diversifying sources of income while minimizing economic risk. One of the effects of such considerations is the decision on migration of one or more family members. The decision on diversification of sources of income (including migration) is influenced by the economic and social situation of the family comparing to other households in local terms (Wrzochalska 2005). Migration can thus be the result of a desire to raise the social status of the family in the community. Therefore, within the communities with the diversified socio-economic structure the large share of people with higher propensity to migrate is more characteristic than it is in homogeneous communities taking into account social status and living conditions. In regions with high emigration tradition, this phenomenon is common in rural areas.

In addition to the severity of migration, the rural regions were also varied in terms of duration of economic migration. Within the analysed group, people working abroad were spending there an average of 15 months. In the villages, where trips to work abroad were common, their duration was relatively shorter. The example here can be the villages of macro-regions of the north and the south-east, where the migrating residents spent away from home an average of 8 and 13 months.

The research material has also provided a lot of information on the most frequently chosen directions of migration. After accession to European Union, Poland has become a signatory of two Schengen agreements: Schengen Agreement of 14 June 1985, and the Convention implementing the Schengen Agreement of 19 June 1990, which entered into force on 26

March 1995. Countries that have adopted such measures have abolished internal border controls while setting the external border zone.

Key implications for Polish citizens on the border crossing were connected with the abolition of formalities relating to the entries on the territory of another Member State and withdrawal of the border controls. Document necessary to travel within the EU remained only an identity document. Documents necessary to cross the external borders remained passport and some third countries may require a visa (Rezowicz, 2010). However, the greatest impact on the labour market, including the rural population, had the opening of labour markets to citizens of Poland. The survey done by IAFE-NRI in 2011 reflected the increase in the number of countries to which the workers from the rural areas were leaving.

For the inhabitants of the villages the most popular migration destination was Germany, which for years was placed in the forefront of most popular places for seasonal earning. Taking into account the fact that one of the first countries that opened their labour markets for workers from the new EU Member States was the United Kingdom and Ireland, percentage of migrating to these countries placed them at the forefront of the statistics. Next to Germany, UK and Ireland, an important direction of migration of the rural population were the Netherlands and Belgium, Italy and the Scandinavian countries.

The directions of migration of the rural population are in line with the general preferences of the Polish population in this area. European statistics point to Germany, Great Britain, Ireland and Italy as a place commonly chosen by job seekers (Straser, 2006). The differences in the intensity of trips to different countries between the general data and information from the surveyed villages explain the relatively high proportion of people taking up employment abroad in agriculture. That can explain the relatively high popularity of the Netherlands between the work emigrants in the survey done by IAFE-NRI, than it is reported in other sources of international migration in the country.

It was also observed that in many cases large groups of emigrants was going in one same direction. This illustrates the example of Belgium, where the majority of emigrants was originating from several villages located within one macro region. This phenomenon can be explained on the basis of the theory of migration networks. It explains the migration process as a series of events based on the interaction between people and information flow (Meyers 2000). According to that theory, the emigrants are in the local environment in the country of origin (in this case in the surveyed villages) the source of information about the opportunities, conditions and any problems related to employment in the labour market. By submitting this information they reduce the potential risk of failure and thus affect the decision on whether to migrate for another person. As a result of this process, the direction of migration of many people from the same village is similarly situated. In this case, an important factor influencing the phenomenon of migration is the quality of interpersonal relationships and the level of trust, which determine the level of mental and material support from the migrant / re-emigrants for people planning to emigrate. These migrations have a local nature, both in the country of origin (increase in the number of resident migrating) as well as in the country of origin (increase the number of people from the same country in a given location). The described phenomena are confirmed in other studies of migration at the

local level (Osipowicz, 2002) and explain the heavy traffic in the villages of macro-regional migration with a long tradition of migration.

Conclusions

Both the situation of people in the labour market and socio-economic development of rural areas depend on many factors, which can be divided in terms of the internal spatial criterion, including own resources and their use, and external, based on the structure of the rural economy in conjunction with other systems, mostly urban. Supporting endogenous potential of the rural areas assumes creation of jobs in non-agricultural activities and the use of unique natural, historical and cultural resources of rural areas to create a competitive rural economy. It is a response to the declining importance of the agricultural sector as a source of income of the rural population. The structural deficit in non-agricultural jobs in rural areas means that the surplus of labour force burdens farms and limits the processes of concentration in agriculture (Sikorska, 2001b). Therefore, the development of rural areas should be initiated using mainly their endogenous potential, which often requires identifying the measures that promote investment activity of companies in the area. It enables creating agricultural economy, which to a lesser extent, is dependent on the urban areas economy development.

The spatial extent of the labour market for the rural residents is determined by the distance which the rural residents have to cover to get to work. In the situation when there is still an insufficient number of jobs in a place of residence, the size of the local labour market will be determined by the state of the road infrastructure and the quality of public transport services. Travelling time to the work place and to public buildings is gaining importance as an important factor in development of the rural areas compensating the shortage in the development of the rural infrastructure.

Both the survey and mass statistics data confirm that the vast majority of rural residents working outside their place of residence had not more than 20 km to work (and less than 30 minutes of traveling). This suggests that the average labour market for the rural residents form a company located in the gmina, or voivodship in which a village is located.

The exception will be localities situated near the administrative borders of a village, for which the local labour market goes beyond the established territorial borders. The same conditions govern the border traffic, which after the Polish accession to the Schengen Agreement provides freedom of movement and employment in the territory of the most European Union. The study of IAFE-NRI indicates that circular traffic of the population of villages located near the borders with European Union countries, mainly Germany and United Kingdom are very common. Residents of the towns may be active in foreign labour markets without changing their place of residence.

Spatial size of the labour market is shaped by the possibilities of transport and the time spent on daily commuting, absorption capacity of markets created by urban centres and economic development in the immediate area of residence. Since increasing the level of education of the rural population, and well-educated population exhibits a greater tendency to circular migrations, the share of employees in the cities will be growing. On the other hand,

multifunctional development of rural areas, accompanied by an improvement in infrastructure reflecting the demand for basic needs, prevents decisions about permanent migration to urban areas. This mainly concerns the rural areas located peripherally to urban areas. The rural areas located in close proximity to the urban areas are experiencing increased settlement migration. The balance between supporting residency functions in rural areas, and the quality of transport infrastructure, enabling transport to work, is a prerequisite to maintain the economic viability of rural areas and to prevent its marginalisation.

Another issue, important in terms of balancing supply and demand in the labour market, is labour migration, both internal and external. Study showed that the work abroad and financial transfers made by migrants to their places of origin are common and important element of live hood strategies of rural households. However, it should be noted that labour migration of the rural population have both positive and negative effects. While the high level of unemployment, temporary emigration have good influence on easing labour market imbalances, and involves the transfer of cash from working abroad, allowing to balance household budgets. Transfer of funds also affects the stimulation of the local economy, through both household consumption and potential investments for the creation of additional jobs. Often the success of a new business activity can not only provide the initial capital, but also the idea and the experience gained abroad (Chmielinski, 2013).

Among the costs of migration the demographic structure disorder should be indicated by the outflow of young people. Among the threats in this respect the reduction of the quality of human capital should be also mentioned, especially for cases of emigration of professionals and educated people.

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