

Article for the 17th ILERA World Congress 2015

For track 6: 'The Migration Phenomenon: Strategies for the Protection of Migrant Workers'

DIVERSE PATTERNS OF CEE LABOUR MIGRATION

THE CASE OF DENMARK AND NORWAY

Søren Kaj Andersen

Associate Professor

FAOS – Employment Relations Research Centre
Department of Sociology, University of Copenhagen, Denmark

E-mail: ska@faos.dk

Line Eldring

Senior Researcher

Fafo Institute for Labour and Social Research, Oslo, Norway

E-mail: Line.Eldring@fafo.no

Jonas Felbo-Kolding

Ph.D. Fellow

FAOS – Employment Relations Research Centre
Department of Sociology, University of Copenhagen, Denmark

E-mail: jf@faos.dk

Rolf Andersen

Researcher

Fafo Institute for Labour and Social Research, Oslo, Norway

E-mail: Rolf.Andersen@fafo.no

Since 2004, eleven Central and Eastern European (CEE)¹ states have joined the European Union (EU), and are now part of EU's common labour market, meaning that CEE-workers are free to move to other EU member states to work. This has triggered large East-West migration streams, regardless of the general economic downturn in many of the receiving countries. The European single market not only secures workers the right to move freely – and employers the possibility to recruit across borders – it also provides companies with the possibility to deliver services across borders by posting their home employees in other EU states. The huge increase in the number of labour migrants from the CEE-countries in the Danish and Norwegian labour markets proves that employers indeed have appreciated the expansion of their labour force base.

¹ Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, Hungary, Bulgaria, Romania and Croatia.

It is well documented that the huge socio-economic gap between the so-called old Western European and new Central and Eastern European EU-states has led to low-wage competition from CEE-companies and workers in countries like Denmark and Norway (Dølvik & Eldring 2008). This in turn has challenged the national regulatory regimes, as well as trade unions and domestic companies. Accordingly, concern has been raised about the consequences, both when it comes to potential further segmentation in the labour market, increased inequality and exploitation of welfare provisions. At the same time it is clear that the Norwegian and Danish economies benefit from the presence of the migrants due to labour shortage and the greying of populations (Friberg et al. 2014, Andersen et al. 2014).

Classical economic approaches can to some degree explain variations in labour migration volumes, drawing attention to the push factor of large socio-economic differences. However, they tend to ignore the fact that labour markets are social and cultural constructions, formed by labour market institutions and regulations as well as employers' strategic choices (Piore 1979, McGovern 2007). From this point of departure we will first analyse and discuss the dynamics behind the current patterns of migration to Norway and Denmark characterized by historically high levels of migration inflows. Secondly, despite many similarities between these two neighbouring countries we see diverse patterns of CEE labour migration to Denmark and Norway. We therefore argue that certain institutional and social factors need to be included in our analysis in order to understand how diverse patterns of labour migration to two 'most similar' economies emerge.

Preliminary analyses of recently available register data suggest that in spite of widespread socio-economic similarities between Denmark and Norway, labour migration from the CEE-countries differs in several aspects. In this paper we will highlight three significant differences: First, there are differences regarding which sectors these migrants tend to work in. Secondly, it varies which CEE-countries the migrants are coming from. Thirdly, one of the specific characteristics of intra-EU migration is short-term mobility like posting of workers. Figures on settled versus non-settled migrants show that a large part of the CEE-migrants in Norway and Denmark are non-settled, indicating that they could be working on a short-term contract or as posted workers. However, the sectors dominated by non-settled migrants differ between the two countries.

We find that differences in basic industrial structures do explain some of the variations regarding which sectors these migrants primarily work in. However, the analysis shows that it is necessary also to include social dimension in order to understand employer preferences when recruiting migrant workers. Survey data show that employers perceive CEE-workers "as more willing to do the job" than native workers. Further, we find that the differences between nationalities can be at least partly explained by employers' recruitment strategies and the formation of migratory networks in the sending countries. If a group of migrants from one specific country has established themselves in a host country, this group tends to grow via personal networks.

The analysis is based on national statistical data from Norway and Denmark and matching surveys from Norway and Denmark covering employers' recruiting strategies in the sectors where CEE-workers first and foremost are employed. The national statistical data in both countries covers all labour migrants with any form of taxable income in Norway and Denmark respectively in the period from 2008 until

2013. From 2011 the Danish data also covers posted workers. The Norwegian survey was carried out in 2008, while the Danish survey was carried out in 2012. In that sense they cover different periods economically, due to the economic downturn in Europe from 2008. However, as the Norwegian economy was only slightly affected by the economic downturn, we argue that 2008 in Norway and 2012 in Denmark do not represent markedly different economical periods. As the Norwegian survey was carried out first, the Danish survey was more or less modelled not only on the overall structure of the survey but also as much as possible on the specific questions. This means that there are matching questions on whole range of issues covering employers' motivation for recruiting CEE labour migrants, choice of forms of employment, evaluations of the work of CEE-migrants. The Norwegian survey covers answers from 1.267 employers, while the Danish survey covers answers from 829 employers. Due to differences in the overall business structure of the two countries the Danish survey covers five sectors; agriculture, parts of manufacturing, construction, hotels and restaurants and cleaning, while the Norwegian survey only covers three of the same sectors; parts of manufacturing, construction and hotels and restaurants.

Background

Since 2004, eleven Central and Eastern European states have joined the European Union (EU) and have thus become a part of the single market within the EU. Denmark is a EU-member since 1973, Norway is not an EU Member State, but is part of the European Economic Area (EEA). The EEA-agreement between the EFTA-countries (Iceland, Liechtenstein and Norway) and the EU provides for the free movement of persons, goods, services and capital between the countries in EU and EFTA. Thus Norway is fully integrated in the EUs single market.

The Nordic countries, including Denmark and Norway, are often associated with high economic development and standards. The economic growth measured by PPS (Purchasing Power Standards) has been strong in all Nordic countries but there are differences. As shown in Dølvik et al. (2014:117) Norway's growth and PPS level has been exceptionally strong from the 1990s and up to 2013. Denmark's development has been weaker than Norway in the same period, measured both in growth and absolute PPS level. In spite of the differences Norway and Denmark range far above the CEE countries. Both Denmark and Norway is well above the EU average while the CEE-countries are clearly under the EU average.

Previous EU enlargements have not prompted any substantially migration flows despite large socio-economic differences within the EU. For example the enlargement 1981 (Greece and the 1986 (Spain and Portugal) did not prompt any major migration flows. The inclusion of the CEE-countries in EU proved to be a different story; large numbers of CEE-citizens went on the move when the labour markets in Western Europe opened and Europe saw the largest movement of people since World War II.

The EU-enlargements of CEE countries in 2004 (Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia and Hungary), 2007 (Bulgaria and Romania) and Croatia (2013) lead to fears that the low wages levels and high unemployment rates in the new member states would lead to massive a migration that could create labour market imbalances in the old parts of EU. Member states were

therefore allowed to introduce transitional regimes regulating the free movement of labour for up to seven years. As Friberg (2014) describes there were different strategies regarding this in the western EU-countries. Some countries opened up their labour markets from the start without any restrictions, other countries restricted access to those that could document full-time job, with regular standards of wage and work conditions and limitations to the access of social benefits. Others adopted even tighter restrictions. Denmark and Norway both choose the middle way and both countries removed the transitional restrictions in 2009.

Despite the restrictions, Norway and Denmark both faced substantial migration flows from the CEE-countries in the years following the EU-enlargement. Some even described this as an external shock into to relatively small countries (Denmark a population of approximately 5.7 million, Norway 5.1 mill.) and economies. In 2004 there was approximately 10 000 CEE-citizens registered as residents in Denmark, in Norway 6800. In 2013 Denmark had approximately 55 000 CEE-residents, for Norway the growth in CEE-residents was even bigger; in 2014 the number of CEE-residents was nearly 160 000. In addition, as we shall see later, we can add substantial numbers of non-resident CEE-workers on short term work engagements.

Analytical framework

The standard neoclassical conception of the labour market tells us that it is exactly a 'market' which makes migrant workers compete for jobs and accordingly move to where they gain the optimum outcome of selling their manpower. Such an approach might provide us with some ideas on why migration volumes fluctuate, however this rational choice conception fails to understand the social context of migration and the social structure of the labour market that migrants migrate to. Or put more precisely we need to focus on the "interaction between individual agency and social structure" (McGovern 2007: 225). As emphasized by Patrick McGovern (2007) this led institutional economists to formulate a theory of dual or segmented labour markets to understand persistent social divisions in the labour market with regard to race and gender as well as other aspects. This also included the division in primary and secondary sectors corresponding to high and low value-added jobs (Doringer and Piore 1971).

Michael Piore in his book *Birds of Passage* devised the theory of labour market segmentation aiming to analyse and explain some of the more enduring findings on the employment of migrants (Piore 1979). McGovern underlines that the probably "most striking feature of Piore's theory is that international migration is not caused by push factors, such as low wages or unemployment. Rather it results from the inbuilt demand for certain kinds of disposable labour that is an inherent feature of advanced industrial economies (see also Miles 1990; Peach 1968; Sassen 2001)." Piore highlights three reasons why the demand for foreign workers is "chronic and unavoidable". *First*, he dismisses the idea that migration is simply a response to labour shortage that occur during periods of prosperity – the economy expands – and workers gravitate towards better-paying and more prestigious positions. Facing labour shortage Piore argues that employers must decide to a) raise wages; b) replace labour with capital; or c) recruit foreign workers. Piore states that recruiting foreign workers often will be the easiest and least costly solution. *Second*, Piore stresses the role of social structures; that is "the motivating effect of hierarchy".

The argument is that people do not only work for money, but also for the accumulation and maintenance of social prestige. Accordingly, we can identify acute motivational problems at the bottom of hierarchies where we find little status and few possibilities for advancements. Employers therefore need those who view low status jobs simply as a means to earn money, that is migrant workers at least in the early stages of their migratory careers when they are more concerned with economic survival than social status. *Third*, Piore returns to the dynamics of the economy and argues that there exists an “inherent duality between capital and labour”. Piore claims that capital as a fixed factor of production cannot be kept idle because its owners will have to bear substantial costs. By contrast labour is a viable factor of production that can be laid off (because it bears the costs of its own unemployment) (Piore 1979: 26-43).

Whenever possible, employers use capital to meet the stable, fixed part of demand and labour for that which fluctuates, this leads to a dualism which creates a division: between those who work in the capital-intensive primary sector and those who are employed in the labour intensive secondary sector. It seems hard to ignore that certain economic dynamics do influence trends in migration flows; that includes pull factors like job openings, high wages etc. as well as push factors like unemployment, low income etc. Still, it can be debated whether we should understand the demand for cheap foreign labour as an “inherent feature of the advanced capitalist economy”? In the case of Norway, Friberg (2013) argues that the narrative of a large gap between the top and the bottom of the labour market may not be quite adequate when it comes to analysing the Norwegian labour market, “not least because the Norwegian welfare state itself provides a large number of relatively stable jobs that are available for immigrants, especially women” (Friberg 2013:44). This is first of all related to the greying of the population combined with the Nordic welfare system based on universal rights, supplied from the state and financed through taxes. On the other hand it can be argued that the large inflow of CEE-workers is not primarily women finding work in the welfare sector. On the contrary, in both Denmark and Norway the CEE-worker is primarily a man working in the private sector.

As Friberg points out more recent contributions, although they recognize a dual frame of the labour markets “place more emphasis on the practice of employers and the social production of labour demand” (Friberg 2013:44). McGovern states that: “we need to combine the institutional economists’ focus on the demand side with the sociologists’ interests in processes of occupational segregation on the supply side.” McGovern 2007:226).

Two sources of segregation found in Waldinger and Lichter’s (2003) study of migrant workers in the Los Angeles area shall be highlighted. First, *ethnic hiring queues* emphasising how the “best” and most “appropriate” worker in the view of employers are not only defined by qualities like aptitude, skills, experience, productivity or any other element that directly impact the ability to get the job done. Contrary we need to understand the employers preferences as embedded in the social structure as suitability for the job. According to Waldinger and Lichter this is largely determined categorically, much in the same way as sex and ethnicity. Put differently, some groups of employees are the “right ones” for specific jobs in the view of employers (ibid pp 8-11). “Simply put, bosses want *willing* subordinates. After all, employers are looking for workers who will do the job as told, with the minimum amount of “lip”.” (Waldinger and Lichter 2003: 15). Second, *social networks* highlighting that we need to understand that

“...migrants move not as solo adventurers but as actors linked to associates here and there, their social ties lubricating and structuring their transition from one society to the next.” (Waldinger and Lichter 2003:11) . Veteran immigrants will as they find their footing in the new country gradually find it easier and less costly to help potential new migrants in the home country and also give help and advice when new migrants comes to the receiving country. In this way they will widen the pool of new possible migrants. This social processes will in turn escalate the migrant flow quite rapidly and according to Waldinger and Lichter “... make migration a self-feeding phenomenon, with ties to settlers diffusing so broadly that almost everyone in the home community enjoys access to a contact abroad” (Waldinger and Lichter 2013:11). This process also benefit the employers in minimizing the risk of employing newcomers. Through the informal networks of their already hired foreign workers, employers will be able to reduce the risk associated with hiring. Thus both immigrants and employers find considerable value in hiring through social networks. In similar vein Friberg shows migrant research have over the past decades emphasized that migration is a network-driven phenomenon (Friberg 2013: 45-47). The many relationship that links migrants, former migrants and those who have not migrated, is one of the most essential factors when you want to explain cross boarder migration today. This is because these networks substantially “... reduce cost and risks involved in migration and increase its rewards.” (Friberg 2013:46).

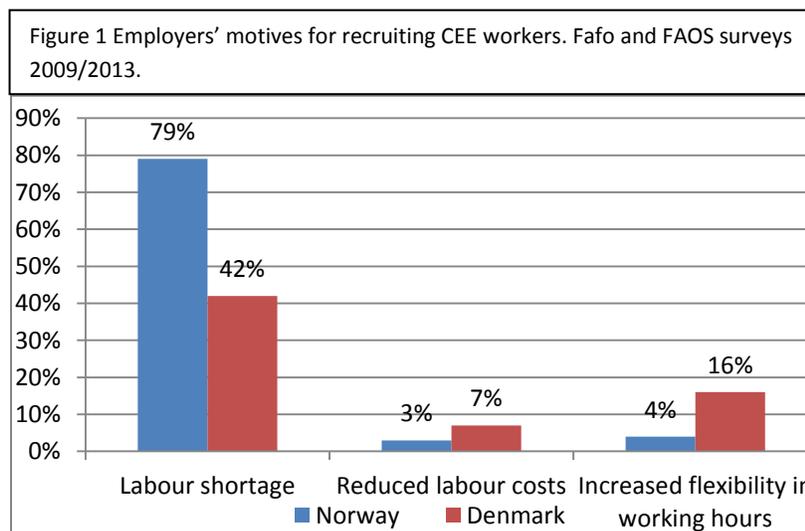
From this point of departure we will analyse and discuss the dynamics behind diverse patterns of CEE labour migration to Denmark and Norway, meaning that we will argue that certain institutional and social factors need to be included in our analysis in order to understand diverse patterns of labour migration to two ‘most similar’ economies.

Why migrants in specific sectors?

Before turning to the question why employers in specific sectors recruit CEE-workers in the two countries we begin by elaborating more generally on the question why this relatively large inflow of CEE-migrants to low skilled jobs in two post industrial economies with record high spending on further education/training and aiming at increasing the number of young people in higher education; so why migrants?

Michael Piore’s basic understanding of labour migration tells us that labour migration is not caused by push factors, such as low wages or unemployment. Rather, he argues, it results from the inbuilt demand for certain kinds of disposable labour that is an ‘inherent feature of advanced industrial economies’. Especially when the economy expands native workers tend to gravitate towards better paid and more prestigious jobs resulting in labour shortages. Especially in oil-based and still expanding Norwegian economy has experienced labour shortage not only regarding low skilled jobs but in larger parts of the economy. Accordingly, unemployment levels have remained very low and employment has increased steadily. Danish economy was in the years leading up to the financial crisis in a by and large similar positive development characterized by growth, low unemployment levels, labour shortage in a number of sectors, etc. However, as the crisis hit unemployment increased rapidly, the inflow of migrant dropped temporarily but soon gained pace again.

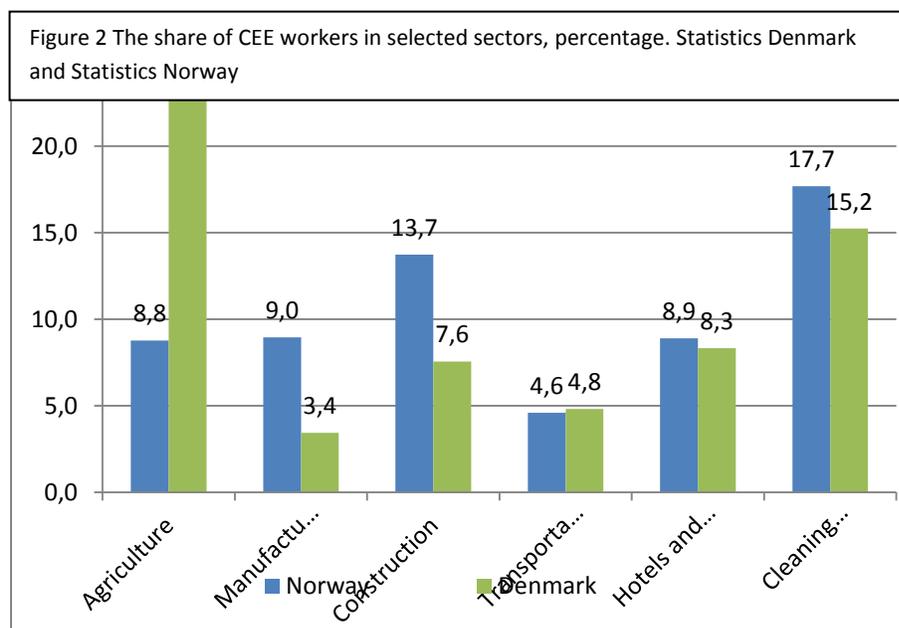
Thus labour shortage definitely has been an issue in especially Norway but also Denmark. It also seems like the migration from the CEE-countries first and foremost were demand driven. In line with the EU-regulation both Norway and Denmark had introduced transitional regimes regulating terms and conditions for CEE-workers in the two countries – see also background section. Sweden chose not to establish such a scheme, nevertheless, Norway received by far the largest part of the migrants, Sweden the smallest and Denmark an in between share. The interpretation was that the transitional schemes had minor effects on inflow contrary to employers demand for migrant labour (Dølvik and Eldring 2008). Thus Piore’s argument that it is not push factors like unemployment and low wage that spur migration seems to be confirmed. Still, we would like to add that although this appear to be the main explanation, the prospect to increase income might still be an important motivation for the individual migrant and therefore also influence the overall dynamic of migration. The possibility for an e.g. unskilled Polish worker to multiply his income four to six times seems to have an impact, still, it also seems to be true that typically he does not migrate until he has a job at hand in the hosting country.



Asking employers why do they recruit CEE-workers, a clear majority (79%) of Norwegian employers responded labour shortage while less than half of Danish employers (42%) answered lack of qualified native workers. Accordingly, the response from Danish employers indicates that other explanations than labour shortage is decisive for their choice of foreign labour, we will return to that below.

Studying where the migrants find jobs it becomes clear that CEE-migrants in both Norway and Denmark are concentrated in specific sectors; they work in private services like cleaning and hotels and restaurants, in construction, agriculture and manufacturing. Potential explanations for why these sectors are of cause labour shortage as native workers have moved towards better paid and higher status jobs. Further, language barriers do play a role for why we find CEE-migrants in these specific sectors and most likely more so in Denmark and Norway than in English speaking countries. Following Piore’s arguments – c.f. above - it could be said first, that employers would be reluctant to increase wages in these sectors where the compressed wage structures in the Scandinavian countries secure

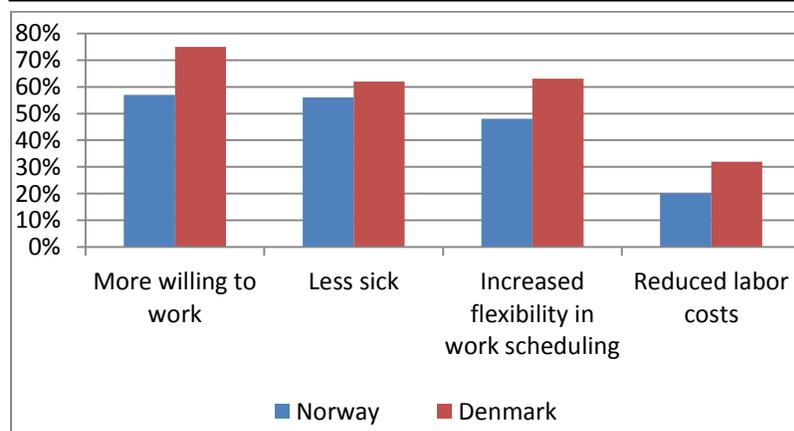
comparatively high wages for unskilled work. Many employers would doubtless argue that it would be impossible in order to maintain the profitability of their business. Second, replacing labour with capital might not be an option in these sectors – you simply need the manpower in cleaning, restaurants, garden centre, construction sites, etc. So third, the probable solution will be to recruit foreign workers.



In spite of the similarities there are also marked differences between the two countries. In Denmark the share of CEE-workers in agriculture is much larger than in Norway. This mirrors that we in Denmark find a relatively large farming industry characterised by animal production, whereas the agricultural sector is relatively smaller and characterised by smaller farms. The much larger share of CEE-workers in manufacturing and construction in Norway compared to Denmark reflects the more prosperous Norwegian economy, and at the same time these dominant sectors include a large number of CEE-migrants explaining the much larger inflow of migrant to Norway than Denmark. The quite significant role of agency work in Norway reflects institutional differences between the two countries, where the agency work in Denmark seems to have been curtailed by widespread regulation of agency work in collective agreements and relatively liberal access to hire and fire employees in open ended contracts. In Norway the expanding economy seems to have paved the way for a growing temporary agency industry (Friberg and Eldring 2013).

Studying closer why employers in these sectors prefer to recruit CEE-workers a number of different answers appear. Asked about how they evaluate pros and cons of employing CEE-workers they emphasize that the CEE-workers are ‘more willing to work’ than native employees; 75% of the employers agreed or partly agreed with that statement in Denmark versus 57% of the employers in Norway. Around half or little more than half of the employers in the two countries agreed or partly agreed to that that CEE-workers have less sickness absence than native workers and that the CEE-workers are more flexible regarding scheduling of working time – see figure 3. Around one third of the Danish employers agreed or partly agreed that employing CEE workers led to reduced labour costs while one fifth of the Norwegian employers agreed or partly agreed to this. The higher proportion of Danish employers supporting this claim might be explained as a result of Danish employers to a larger degree are replacing native workers with CEE-workers than in Norway. The argument is that they to a higher degree deliberately recruit CEE-workers in order to reduce labour costs than Norwegian employers facing more widespread challenges of labour shortage.

Figure 3 Employers evaluation of CEE workers; percentage that agree or partly agree to the following claims. Fafo and FAOS surveys 2009/2013.



As shown above Waldinger and Lichter (2003) argues that employers prefer employees not because qualities like aptitude, skills, etc. Instead they suggest that we understand employers preferences as embedded in the social structure and thereby the perceived suitability for the job. So the “best” worker is largely determined categorically or simply in the view of the employers are the “right ones” for specific job. This has a lot to do with the attitude of the worker where having “the right attitude” becomes a recurrently mentioned characterization of the “good worker”. In sum “... bosses want *willing* subordinates.” (Waldinger and Lichter 2003:15 and 224). In spite of the difference in research designs and the questions asked it is striking how employers in the Los Angeles area and in Denmark and Norway all are emphasizing the importance of behaviour or attitude of the migrant worker; i.e. the “right attitude”. Waldinger and Lichter are talking about having the right attitude both with regard to acceptance of managerial instructions, decisions etc. as well as in contact with customers. In the Scandinavian case we see few CEE-migrants working retail or in other places characterized by customer relations; language barriers will be the likely explanation. However, in employee management relations

is seems evident that US and Scandinavian employers have by and large identical preferences with regard to migrant workers.

There might be different explanations or we might say differences in institutional set-ups in the US and Norway/Denmark at play behind these more or less similar preferences. The strong presence of unions and collective agreements and to some degree laws setting the framework for e.g. the scheduling of working hours in Norway/Denmark might make it a higher priority for employers to gain flexibility via migrant workers than in the US. Accordingly, employees offering this flexibility will have the label as being “more willing” of having the “right attitude”. It should also be noted that the presence of CEE-migrants in Norway and Denmark often have led to accusations especially from the trade unions of wage dumping. No doubt wage dumping do occur, but research also indicates that the larger part of the CEE workers do get paid according to the minimum wage levels stipulated in the collective agreements (Andersen and Felbo-Kolding 2013). As seen in figure 3 20% (Norway) and 32% (Denmark) of the employers state that using CEE-workers reduce wage costs. We need to take into account that employers’ response on wage reductions most likely underestimate the scope of it. Still, it might be the case that finding workers with the “right attitude” is actually – or is at least perceived – as more important by the employers.

Why does it vary which CEE-countries the migrants are coming from?

Migrant workers from Poland is by far the largest single country group in both Norway and Denmark. In Norway they represent 54,7 % of the entire group of CEE-migrants versus 43,3% in Denmark, see table 1. This is no surprise due to the seize of the Polish population and the proximity of Poland to Denmark and Norway. Lithuanians are the second largest group in Norway (22,2% of total CEE-group), but only the third largest group in Denmark. In Denmark the Romanians are the second largest group representing 18,9% of the total CEE-group. The group of Lithuanians comes in third in Denmark, while the Romanians only make up 6,1% of the CEE-migrants in Norway. The somewhat odd phenomena here is the relatively high presence of Romanians – a distant CEE-country - in Denmark.

Table 1: Share of total CEE country employment in selected sectors, percentage. Source: Statistics Norway and Statistics Denmark.

	Norway			Denmark		
	Lithuania	Poland	Romania	Lithuania	Poland	Romania
Agriculture	34,0	47,4	4,0	30,0	28,6	27,9
Manufacturing	23,7	54,3	7,7	8,9	65,9	9,7
Construction	23,4	59,7	3,0	17,5	65,0	7,6
Hotels and restaurants	18,7	40,3	9,7	13,2	23,7	21,6
Cleaning and agency work ²	23,1	59,1	5,6	17,2	37,8	23,0
Total	22,2	54,7	6,1	17,4	43,3	18,9

² It should be noted that the category ‘cleaning and agency work’ is heterogeneous in the sense it covers cleaning workers in Denmark and agency workers in Norway, where the latter group includes more than workers in cleaning.

As shown in table 1 the larger part of the Romanians in Denmark are found in agriculture, hotels and restaurants and cleaning; i.e. in sectors characterised by first and foremost unskilled work. Regarding Poles we find the opposite tendency in Denmark, meaning that they are overrepresented in manufacturing and construction; i.e. sectors characterised by some degree of skilled work. In this sense there is a certain division of work, or segmentation, among the CEE-workers in Denmark; Poles tend to be somewhat higher in the job hierarchy than Romanians. In Norway there is a more equal distribution of the three nationalities among the five sectors. It also seems clear that factors like business structure or economic trend cannot explain the relatively large group of Romanians in Denmark.

One possible explanation why we see these differences among CEE-nationalities in Norway and Denmark might be different patterns of social networks; how they were established initially and how stable and efficient they turned out to be. In spite of the well-developed systems of public employment services including the European employment agency, EURES, CEE-workers are typically recruited via personal contacts, intermediaries, etc. in both Denmark and Norway. Asked about how CEE-workers are recruited the by far largest part of Danish employers (78%) state "personal contacts" (Andersen and Felbo-Kolding 2013). Similarly, we know from qualitative research in Norway that employers in quite diverse branches such as hotels, the fishing industry and ship yards typically recruited via personal networks (Ødegård and Andersen 2011).

As shown above Waldinger and Lichter (2003) and Friberg (2013) among others highlight that labour migration is a network-driven phenomenon. The networks reduce costs and risks involved with migration and increase its rewards. Newcomers will be assisted by already established migrants and employers are able to minimize risks recruiting via people they know well. Accordingly, both migrants and employers can find considerable value in hiring through social networks. As emphasised by Waldinger and Lichter (2003) social networks "make migration a self-feeding phenomenon".

Returning to the relatively large group of Romanians in Denmark part of the explanation might be found in the active policies of Danish farmers' organisations. They have for a number of years been establishing and nursing contacts to agricultural college's in Romania, sending representatives to the country organising the recruitment of workers. The important point here is that networks do not only consists of workers having contacts to family and friends back home and thereby create the networks. Some employers – or representatives of employers' organisations – directly take initiatives in order to set up contacts, organise visits, meetings, etc. and thereby *de facto* establish social networks.

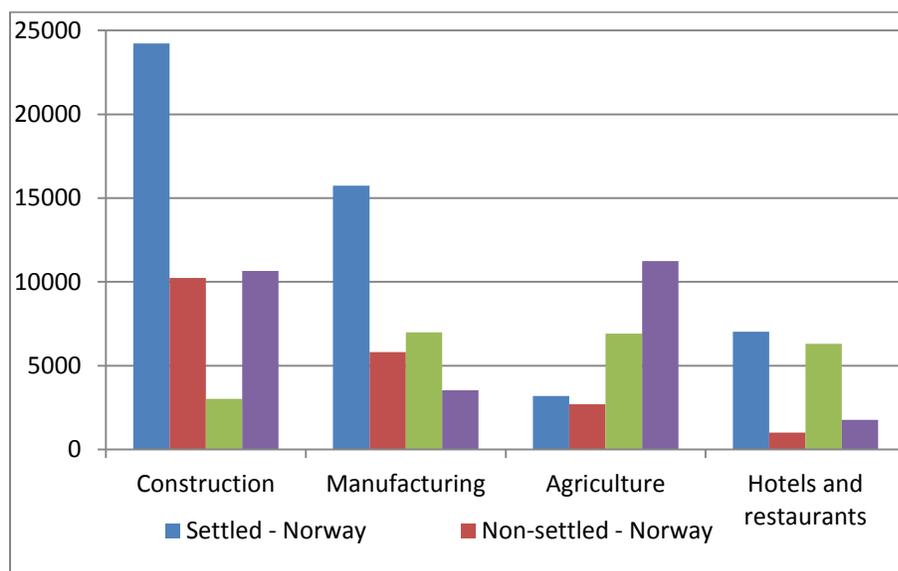
Why do the use of non-settled migrants vary between sectors in Norway and Denmark?

One of the specific characteristics of intra-EU migration is short-term mobility, including posting of workers. A "posted worker" is someone who is employed in one EU member state but posted on a temporary basis by his employer in another member state to carry out his work. A service provider may win a contract in another country and then post his employees there to carry out the contract for a short period. According to both EU legislation (The Posted Worker Directive) and national regulations this category of workers is distinctive from individual migrant workers finding a job in another member

state. Posted workers are for example normally exempted from membership in the national social insurance schemes.

The information on the number of posted workers is regarded as inconclusive and previously unreliable, also by the authorities. However, the statistical data have improved significantly over the last couple of years. Both Statistics Norway and Statistics Denmark publish statistics on persons that are on “short stays”. These are defined as persons that are expected to be resident in the country for less than 6 months. This group includes posted workers, but also cross-border commuters, persons employed on short contracts and others with short-term employment. Although not perfect, information on the number of so-called non-settled CEE-workers in the host county, give an overview to investigate the level of short-term mobility of CEE-workers, including posted workers to Norway and Denmark. Figure 5 shows the number of settled and non-settled CEE-workers in selected sectors in Denmark and Norway in 2013.

Figure 5: Number of settled and non-settled CEE workers in selected sectors in Norway and Denmark, 2013.



As we can see from figure 5 there are some distinct differences both between sectors and between the two countries. In Norway settled workers outnumber non-settled workers in all four selected sectors, whereas this is only the case in two of the four sectors in Denmark. The differences between the share of settled and non-settled workers in Norway are especially high in construction, manufacturing and hotels and restaurants. In these sectors settled workers make up more than two-thirds of CEE-employment. In Denmark the pattern is almost reversed, meaning that more than two-thirds of all CEE-workers in construction are non-settled, while more than 60 percent of workers in agriculture are non-settled. Only in manufacturing and hotels and restaurants do the two countries converge, with both countries having more settled workers than non-settled workers.

All in all the figures can also be said to confirm the fact that short-term mobility constitutes a major factor of employment in both Norway and Denmark. What is interesting though is the major differences

between Norway and Denmark when it comes to the share of non-settled workers in construction. In Denmark the large share of non-settled mainly posted workers can be explained by a widespread use of subcontracting to e.g. service providers from CEE-member states. However, this does not explain why more than two-thirds of all CEE-workers in construction in Norway have settled there. One reason for the differences may be the more remote geographical location of Norway, which makes commuting from most CEE-countries more difficult than from Denmark.

If we look closer at the motivation for short term mobility, Eldring and Friberg (2011) have shown in a survey covering polish construction workers in Oslo that posted workers constitute a bottom segment of the labour market. Among other things this means that they are excluded from a number of social rights as well as rights pertaining to the labour market. They also find that they receive wages far below the level of the permanently employed migrants. A similar pattern has been identified in Denmark (Andersen and Hansen 2008).

Following the logic of Piore's (1979) focus on social structures and the motivating effect of hierarchy might shed some light on the motivations and strategies of the employers' and workers' in the bottom of the hierarchy. Seen from an employer's perspective short-term employment first of all constitutes a more flexible solution, where labour can be brought in for work on short notice and short term contracts. Secondly the short-term employment of non-settled labour migrants helps the employer overcome the obstacle that Piore identifies of finding workers to fill jobs that are viewed as low status jobs by native workers. This can be explained by the fact that for a lot of migrant workers, short-term employment in Norway or Denmark is viewed mainly as a mean to earn money and not to gain social status in the host country. Instead the end in their perspective might be to use the money earned in Norway or Denmark to gain social status in their home country. Thirdly, as Eldring and Friberg (2011) pointed out, using posted or non-settled workers is often related to labour costs reductions. This is at least partly due to the vast socio-economic differences between the countries of North-western-Europe and the CEE-countries. With the legal framework of the European Single Market and the right to move freely within the EU, the employers in Norway and Denmark can be expected to have access to an almost inexhaustible cheap and flexible workforce of the CEE-countries. Given the numbers in figure 5 above it seems that especially the Danish employers have discovered the advantages of using short-term employment. Whereas the Norwegian employers', maybe because their more remote geographical location, have yet to make the same use of short-term employment.

Conclusion

We have in our analysis basically been asking three questions regarding the diverse nature of CEE-labour migration to Norway and Denmark. First, why do we find the CEE migrants in specific sectors? Labour shortage do play a role especially in the expanding Norwegian economy. Language barriers is probably also a mechanism of selection here; CEE-workers find jobs in sectors with limited or no customer contacts. Survey data on how employers evaluate the pros and cons of employing CEE-workers show that they see them as flexible, having limited sickness absence and generally characterise them as "more willing to do the job" than native workers. Secondly, we asked why does it vary which CEE-countries the migrants are coming from? Mostly the seize and proximity of the CEE-country seem decisive. The

relatively large group of Romanians in Denmark divert from this pattern. There is a certain division of jobs – or segmentation – between Poles (more often found in skilled jobs) and Romanians (typically in unskilled jobs) there might be at least partly explained by active employers' policies in setting up contacts (social network) to workers in Romania. Thirdly, we raised the question why the use of non-settled migrants vary between sectors in Norway and Denmark? In this case we saw a relatively diverse pattern, but the dominant group of non-settled CEE-workers make Danish construction and agriculture distinguished in this context. Employer strategies aiming at flexibility and cost reduction are plausible explanations, but this do not explain why we do not see a similar pattern in Norway.

Much analysis of CEE-labour migration has been focussing on employer strategies on cutting costs, i.e. wage dumping. No doubt this is part of employers' strategies. However, our analysis suggest that employers recruit CEE workers not only because they can cut costs; they at least in low skilled sectors tend to perceive CEE-migrants as "better" workers in the sense that they are more "willing to do the work". The employers especially emphasize their flexibility in scheduling working time and lower level of sickness absence than native workers. This perceived understanding of migrant workers are in many aspects identical with the findings of Waldinger and Lichter (2003) in the greater Los Angeles area where the authors concluded that employers rather than skills are searching for workers with the right "attitude". The combined strategies of cutting labour costs and seeking to employ "the more willing to work" CEE-workers suggest that processes of segmentation are evident in certain sectors in Norway and Denmark. These are especially low skilled sectors like cleaning, hotels and restaurants and agriculture. With regard to semi-skilled and skilled work in sectors like construction and manufacturing similar processes of segmentation might occur although not as straight forward as we find them in the typical low skilled sectors.

References

Andersen, R.K., M. Bråten, L. Eldring, J.H. Friberg, A.M. Ødegård (2009), *Norske bedrifters bruk av østeuropeisk arbeidskraft*. Fafo-rapport 2009:46

Andersen, S.K., J.E. Dølvik and C.L. Ibsen (2014) *Nordic labour markets models in open markets*, European Trade Unions Institute, ETUI Report, Brussels.

Andersen and Felbo-Kolding (2013) *Danske virksomheders brug af østeuropæisk arbejdskraft*. FAOS, Sociologisk Institut, Københavns Universitet.

Andersen, S.K. and J.A. Hansen (2008) "Strong trade unions meet EEC workers: locating, monitoring and organising EEC workers in the Danish construction sector" in *Bulletin og Comparative Labour Relations* no. 66, 2008, pp. 101-116.

Bråten, M., E. Albrechtsen, R.K. Andersen, T. Tovslid og R. Værnes (2015), *Innleide arbeidstakere i verfts- og petroleumsindustrien. Styring av arbeidsmiljø og personskaderisiko*. Fafo-rapport 2014:54

Dølvik, J.E. and L. Eldring (2008), *Mobility of labour from the new EU states to the Nordic region. Development, trends and consequences*. TemaNord 2008:537. Copenhagen: Nordic Council of Ministers.

Eldring L. and J.H. Friberg (2011), *The construction of a posted worker – regulations and realities*. Paper presented at Conference of the Nordic Sociology Association, Oslo 4. - 7. August 2011.

Eldring, L., A.M. Ødegård, R.K. Andersen, M. Bråten, K. Nergaard and K. Alsos (2011), *Evaluering av tiltak mot sosial dumping*. Fafo-rapport 2011:09

Friberg, J.H. (2013), *The Polish worker in Norway. Emerging patterns of migration, employment and incorporation after EU's eastern enlargement*. PhD Dissertation. Fafo-report 2013:06

McGovern, P (2007) "Immigration, Labour Markets and Employment Relations: Problems and Prospects". *British Journal of Industrial Relations*, 45:2, June 2007 007-1080 pp 217-235.

Piore, M.J. (1979) *Birds of Passage: Migrant Labor and Industrial Societies*. Cambridge, UK: Cambridge University Press

Doringer, P.B. and M.J. Piore (1971) *Internal labor Markets and Manpower Analysis*. Lexington: D.C. Heath.

Waldinger, R and M.I. Lichter, (2003), *How the Other Half Works. Immigration and the Social Organization of Labour*. Berkley: University of California Press.

Ødegård, Anne Mette og Rolf K. Andersen (2011), *Østeuropeisk arbeidskraft i hotell, verft, fiskeindustri og kjøttindustri*. Fafo-notat 2011:21.