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Anna Wojtyńska
Małgorzata Zielińska

Félag- og mannvísindadeild
Ritstjórar: Gunnar Þór Jóhannesson og Helga Björnsdóttir

Rannsóknir í félagsvísindum XI. Erindi flutt á ráðstefnu í október 2010
Ritrýnd grein
Reykjavík: Félagsvísindastofnun Háskóla Íslands
ISBN 978-9979-9956-6-1
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Following the onset of the financial crisis in October 2008, Iceland has experienced growing unemployment. Construction, which in recent years was receiving large number of foreign employees, was among these industries that encountered immediate consequences. Many building sides were halted, leaving people without work. Already in November 2008, the highest number of unemployed was in construction, making 18% of all the unemployed (Directorate of Labour, 2008). The second largest number of unemployed (16%) was recorded in sales, where also a considerable number of foreign citizens were working. The numbers rose to 21% and 18% correspondingly in March 2009. In April 2010, the unemployment rate in Iceland reached 9%. Polish citizens constitute 9% of total unemployed and almost 60% of all unemployed foreigners, accounting to 1.374 individuals (Directorate of Labour, 2010). It has been estimated that the unemployment rate among Polish nationals in the metropolitan area may have reached even 25% in 2010.

Already one month after the collapse of the banks in Iceland, Polish newspapers alarmed about the rush of Polish migrants away from the island. The titles were quite suggestive: “Retreat from Iceland” (“Gazeta Wyborcza”, 2008), “Poles working in Iceland are packing suitcases” (“Gazeta Prawna”, 2008). “From Iceland to Poland: lack of tickets” (TVN, 2008). Also in Iceland, media were talking about immigrants massively fleeing Iceland, speculateing that by the mid-2009, the number of migrant workers would have been reduced by half (Guðný Björk Eydal & Guðbjörg Ottósdóttir, 2009; Unnur Dís Skaptadóttir, 2010). Were these news only journalists' exaggeration or did the majority of Polish migrants leave Iceland? Why did some stay even though they had lost their jobs? How did the financial crisis affect lives of Poles in Iceland and how did they assess the course of action in the country? These are questions we are addressing in our article, using data from two independent ethnographic research projects. The first one is Anna Wojtynska's research on Polish migrations to Iceland, conducted predominantly in the years 2003-2006, but continued less formally until now. The second one is Małgorzata Zielińska's study on educational strategies of Polish migrants in Iceland, which consists of 34 semi-structured, in-depth interviews taken in the beginning of 2010 with Poles living in the Reykjavik capital area.

We will start our article by assessing the validity of the general expectations we have mentioned above, and giving statistical evidence on the migration flows. Then we will provide a broader context in which migrants' decision-making processes occur, by comparing the economical situation of Poland and Iceland, as well as by showing

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1 The first project was supported by the Icelandic Research Council „RANNIS“ and Icelandic EDDA Fund, while the second received a grant from the Norwegian Fional Mechanism through the Scholarship and Training Fund, located in Poland.
various reasons why some individuals left and why others stayed. Finally, we are going to discuss different ways in which the economic recession has affected Polish migrants in Iceland, thus, bringing their opinions about the new situation in the country.

International movements and the economic crisis

Undoubtedly, the expectations – revealed in Polish and Icelandic public discourses – that immigrant workers who came to Iceland looking for work, would leave when the work become a scarce resource seemed to be quite reasonable. This kind of logic reflects the way migration is often perceived, not only by the public, but also in migration policies of different countries in the past and present (Castles, 2004). Such thinking corresponds with a theoretical discussion on why migration occurs. Many migration theories see migrants as rational actors who estimate pros and cons of migration and make sure that going abroad should be profitable for them and their families (Massey et al., 1993). Mobility is often explained, as for instance in neoclassical economics, by the economical imbalances between states – wage differences, disproportion in work supply. Thus, migrants arrive in response to the labour shortage or higher salaries in the receiving country. The new economics of migration challenges the neoclassical theory, but it still describes international flows as a household strategy to diversify income resources. It is especially characteristic for movements from less developed countries, where economy is unstable and institutional mechanisms to diminish people's risk are imperfect (Stark, 1991). Consequently, as it was formulated in the “buffer theory”, immigrants should leave when the economy of the host country contracts (Dobson, Latham, & Salt, 2009).

Yet empirical evidence is often contradictory. We saw in the past that economic downturns did not stop migration inflows, partly because the sending countries were also suffering recession (Martin, 2009). Even if labour mobility was restricted, people continue to come, finding other ways of legal entry, for example due to family reunion. Gérard Noiriel in an interview from 2003 (as cited in Pudzianowska, 2007) shows three ways in which economic recessions change the structure of immigrant populations, basing on the example of France in the 1930's and 1970's. Firstly, the number of immigrants is usually reduced (by 20% in years 1931-36). Secondly, the proportion of women in the immigrant population grows, due to family reunions. Thirdly, the immigrant population grows older (Pudzianowska, 2007, p.56). Also the recent economic crisis, not only in Iceland, but on a global scale, did not counter massive migration flows, only slowing pace of migration to industrial countries (Martin, 2009).

There are many reasons why policies and public discourses failed to match the reality. First of all, they often overlooked the possibility that some temporary workers turn into permanent settlers. Temporary migration is often followed by arrivals of migrants’ dependants or other members of their family (Martin, 1994; Castles, 2006). Secondly, the domination of foreigner workers in certain sectors of the economy makes these jobs less attractive for local workers, thus, enhances the demand for immigrants (double labour market theory, see e.g. Piore, 1979). Eventually, migration is not purely an economical phenomenon, since the decision to move from one country to another is usually a complex process and results from interplay of various factors. It happens to be based more on beliefs and expectations, rather than facts and real conditions; driven more by sudden impulse than calm calculation. Even if economical motivations are prominent, people often move for other reasons and their
decision is highly influenced by specific personal situation, as well as social and cultural contexts (Brettell, 2003; Romaniszyn, 2008). “Migration is a statement of an individual’s worldview, and is, therefore, an extremely cultural event” concludes Tony Fielding (1992, p. 201).

**Emigration of Poles from Iceland**

It is difficult to estimate how many Poles have left Iceland as a result of the financial crisis and how many have stayed in the country. According to Statistics Iceland (2010), during 2008 and 2009, 5530 foreign citizens (presumably Polish) emigrated from Iceland to Poland. Men made up 88% of Polish emigrants in 2008 and 77% in 2009, which corresponds with the changes in the labour market and the high unemployment among construction workers. Importantly, since many migrants do not notify the National Registry when leaving the country, data on emigration may not be accurate and the actual numbers could even be higher.

![Figure 1. Immigration and emigration of Polish citizens to Iceland, 2000 – 2009 (Statistics Iceland, 2010).](image)

Indeed, as one can see in the figure above, the outflow from Iceland to Poland has considerably increased in the last two years; but still it seems premature to identify it as a mass movement. Moreover, with continued immigration, the population of people born in Poland and living in Iceland (including Poles with Icelandic citizenship) in January 2010 accounted to 10,091, which is similar to the numbers from January 2008 (10,540; Statistics Iceland, 2010).
“Should I stay or should I go?” dilemma

No doubt, the onset of the financial crisis has altered plans of many Poles in Iceland. Our data suggest that most (if not all) of those who suddenly lost their jobs and accommodation if it was provided by the employer, and who did not acquire rights to the unemployment benefit decided to leave Iceland. The sudden collapse of the *króna*, the Icelandic currency, diminished the value of their savings, making it difficult to support their families from a distance. After the collapse, they had to send a double amount of money (calculated in ISK), which made their stay less reasonable, inducing them to reconsider their plans. Some preferred to leave, while others – on the contrary – chose to bring their families to Iceland. As many of the Polish migrants came only for a short time and intended to leave anyway, the economical turbulences have just hastened this decision, especially if they had lost their job. But for those who considered settling in Iceland, losing a job meant losing hope for a better future. One young man said about his father, who moved back to Poland:

“He’s not thinking of coming back [to Iceland], I guess he also lost sentiment to this country because of the crisis. I mean, I didn’t, but he left because of the crisis, he didn’t want to be here anymore. He got the unemployment benefit (...) but he’s not a person who likes sitting still and doing nothing, he likes being active, and he couldn’t do much here, because he didn’t know the language.”

(R2, 2009)

Some people were driven out of Iceland by disappointment; pessimistic about the chances that the situation in Iceland could soon change for better. Some, who took loans in Iceland, became anxious about their ability to pay them back and considered migration the only way to solve this trouble.

Significantly, Poles did not consider Poland as the only possible destination, but also other countries, mostly Norway or Canada, especially if they already had friends there. Yet, some of our respondents claimed they were unwilling to do it, as it would be too difficult for them to move. They said they would have to start the integration process all over again, while they had already learned how to live and communicate in Iceland.

Among those who stayed were, first of all, Poles who had by the time of the crisis made their homes in Iceland, who acquired Icelandic citizenship, or who married Icelandic citizens. Secondly, not all Poles were equally upset by the recession. Those who kept their jobs did not feel such pressure to leave. Thirdly, for some individuals the return was not a favourable option. They hesitated to move back to conditions that made them leave their country in the first place. This might relate to various factors – personal difficulties in the home country or socio-cultural reasons (Skaptadóttir & Wojtyńska, 2008; Wojtyńska, 2009). For them, losing a job was not enough incentive to push them away from Iceland, especially if they could count on

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2 The symbols following by the quotations refer to research by Anna (R1) and by Małgorzata (R2). The year in the brackets is—the year when the interview was taken.

3 Unfortunately, we could not take interviews with those who left the country immediately after the collapse, thus, we rely on the accounts of their friends.

4 The relation between debt and migration is currently being studied by Piotr Kowzan, whose article can be found in this publication.
unemployment benefits. Finally, a few of our respondents admitted that they could not return to Poland because of their growing mortgage. “Who is going to pay my debts if I leave?” remarked one woman (R1, 2010).

Moreover, many of our respondents were reluctant to return, doubting that they would be able to get a job in Poland or not knowing if their qualifications would be recognised. They have heard stories of others going back, trying in vain to find work or receiving unsatisfying wages. “When I got my first salary, I wanted to cry”, complained one woman (R1, 2010), who after an unsuccessful attempt to resettle in Poland, eventually moved back to Iceland. Our findings can be supported by the data from the Directorate of Labour, which issues E-303 certificates for the unemployed who are willing to search for work abroad, keeping their benefits during this period. 189 individuals moved their unemployment rights to Poland in 2008 and 285 in the first half of 2009 (“Fleiri utan”, 2009). Still, it is apparent from the records of the Directorate of Labour that many of those who acquired the E-303 certificate and went to Poland, came back to Iceland after a few months (a representative of the Icelandic Labour Office, personal communication, March 29, 2010).

Consequently, we have to look at the issue in a wider context. The decision whether to stay or return is not only influenced by the situation in Iceland, but also by the situation in Poland. Poland is the only EU country that has still had the GDP growth in 2009, and the global financial crisis has not affected the economy as much as elsewhere (“Late-2000s recession”, n.d.); at least according to official statements. In fact, although the unemployment rate in Poland is significantly smaller than it was in the beginning of the new millennium, it is still bigger than in Iceland during the financial crisis (as can be seen in Figure 2). It is important to notice that the decrease in unemployment rates in Poland was mainly caused by the country’s access to the EU and the subsequent migration of Poles to other member states, mainly to Britain and Ireland (Skóra, in press). If Polish migrants start coming back, the unemployment rate will probably grow again.

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5 The citizens of EU member states are entitled to receive the full unemployment benefit after 12 months of full-time employment in Iceland. However, they acquire rights to the minimum benefit already after working for 3 months in Iceland.
It seems reasonable to claim that Polish wages are difficult to accept for those who once tried working abroad. For instance, the salary in the construction sector, in the end of 2009 was: 3595.23 PLN/138.578 ISK\(^6\) and in the educational sector: 3114.84 PLN/120.037 ISK (GUS, n. d.). It is the average gross salary, which means that taxes and insurance fees are deducted from it. Also managers’ salaries are included in the calculation, while Poland is one of the countries (number 11 in the world) with highest pay gap between blue collar workers and senior managers (Hay Group, 2009). Our respondents were mostly referring to the minimal salary, not the average one, which in 2010 amounted to 1317 PLN/50.767 ISK (Bartoszyńska, Białas, Kowalski, & Kuć, 2009, p. 8). The unemployment benefit was 563 PLN/21.702 ISK (717 PLN for the first 3 months; Bartoszyńska et al., p. 10). On average, prices in Poland are lower than in Iceland, but the difference is gradually diminishing and is almost invisible for imported products, such as electronics. Generally, living expenses in Poland are quite high comparing to the earnings, e.g., renting a 2-room flat in Gdańsk cost in May 2010 minimum 1200 PLN/46.257 ISK – almost the same as a common salary, both for the low and high-skilled, such as teachers and nurses (GUS, n.d.).

To summarise, the earnings one receives in Iceland, including the unemployed, are often better than in Poland, even in the times of crisis on the island. Subsequently, our respondents would often comment that while Iceland suffers from a temporary downturn, “in Poland there has always been a crisis” (R1, R2, 2010). This opinion appears frequently both in the discussions in the internet and in private conversations. Moreover, many Poles who still remember empty shops in their home country, long queues and ration-cards in the communist times, claim that there is no real crisis in

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\(^6\) We are using an exchange rate from the end of May 2010.
Iceland. It is, however, important to notice that the opinions of the respondents may be influenced by the attempt to rationalise their choice to stay in Iceland (resulting from other reasons, such as personal ones) and not always by the actual economic data.

The influence of the crisis on Polish immigrants in Iceland

There are multiple of ways in which Poles have been affected by the crisis, often quite similarly to Icelanders. Like Icelanders, many Poles lost their trust in banks, unsure what to do with their savings – if they should rather invest or keep their money in banks. They were often feeling disillusioned and cheated by the banks, politicians and the media. Our respondents were dissatisfied with private banks in Iceland, the qualifications of their managers, and the whole political and economic system. One said: “You can’t make it better, you can’t improve something that is rotten and bad from the very beginning, from its roots, you can only root it out, destroy it and start building from the scratch” (R2, 2010). Moreover, like Icelanders, many immigrants have also experienced one of the biggest problems of the crisis – the growing personal indebtedness.

Poles share with Icelanders the economical consequences of the crisis – inflation, devaluation of the Icelandic currency and instability on the labour market. Not surprisingly, buying and travelling has become more expensive. Many of our respondents discussed the crisis in relation to the change in daily shopping. A man in his thirties said: “At that time if I spent 3000 ISK, I had two full bags, so heavy that they were nearly tearing off. Now I’m spending 4000 ISK and I have not even one full bag, there is a difference” (R2, 2009).

Still, immigrants more than locals suffered from the decline of the currency, since they commonly measured the value of their savings in the currency of their home country. Since the onset of the economic crisis many have difficulties to send money home (Hallfríður Þórarinsdóttir et al., 2009; Unnur Dís Skaptadóttir, 2010). A young Polish man said: “I want to help my mum, I need to send her some money, and now I need to send twice as much as before” (R2, 2010). Some people admitted they were no longer able to afford helping their relatives in Poland. Particularly, it affected those whose families depended on the remittances, forcing them to tighten their expenses in Iceland in order to keep the amount of money sent the same.

As it was mentioned above, growing unemployment left many without their work. But even those who kept their jobs encountered hindrances. In many work places, working hours were reduced, or there were cuts in the number of overtime hours, which meant a considerable decline of income. Some, however, felt overloaded with additional duties, if the employer had made other workers redundant. There were also cases when people were re-hired on new conditions with lower salaries. Our respondents would admit that since the onset of the crisis they were afraid to lose their jobs, while these already unemployed were sceptical about their chances to find a new one. Especially because employers have become more demanding, making basic knowledge of Icelandic obligatory. Yet, there were different opinions concerning employment opportunities in Iceland. Some of the people we talked to said it was impossible to find work, while others argued that there were still plenty of jobs available for migrants. Indeed, we met Poles who conceded they did not search for

Similar accounts of other foreign residents were collected in the research project on immigrants and financial crisis in Iceland carried out by MIRRA (Hallfríður Þórarinsdóttir, Sólveig H. Geongudóttir & Berglind L. Hafsteinsdóttir, 2009).
work, since the salaries they could obtain would not be higher than their current benefits. “It is not worth to wear down one’s shoes walking to work”, noted one man (R1, 2010).

Poles, just like anybody else on the island, had to bear the consequences of the pervasive cuts in the expenditures of different public institutions, such as educational or cultural ones. Yet, some budget reductions hit mostly immigrants, like for example closing of the Intercultural Centre (Alþjóðahús), decreasing funding for the Icelandic courses; saving on translation and interpretation services for foreigners. Many schools resigned from special programs for immigrant children. A daily newspaper, “DV”, stopped printing news in Polish, and a popular magazine for foreigners, “Fólk”, which published information in different languages, discontinued its work. This has diminished possibilities to follow political, social or cultural events in Iceland, especially for those whose fluency in Icelandic is not efficient.

The economic recession has undoubtedly caused more instability in people’s lives. Equally immigrants as locals felt uncertain about their future, even if not always for the same reason. People became disappointed. “I was hoping for this kind of ‘oasis of peace’, for a better life [in Iceland]... and then suddenly I started feeling a bit insecure...” - said one person (R2, 2010). Not surprisingly, the new situation in Iceland resulted in a disturbing dilemma faced by the migrants - whether they should stay or go. Many Poles were confused about the course of events in Iceland, not always able to read Icelandic news. Moreover, unlike Icelanders, some Poles would lack a family network that could support them in the hard times. One Polish woman said:

“I was very nervous about it all, I was almost paralysed with fear, and I'm lonely, there was nobody I could talk to. And when I wanted to talk to somebody, they were saying 'I'm not interested, I'm trying not to read about this.” (R2, 2010)

All this leads to higher levels of stress, which can influence the health of people who suffer from it. This insecurity affects also other spheres of their life. A 30-year-old man explains his decision to stop learning Icelandic:

„There was this moment – bang! – and there was no Iceland anymore, right? (...) I knew they wouldn't get out of this for a long time, I didn't know if I wanted to stay, if it was going to be like this...” (R2, 2010)

We can see that the crisis has influenced migrants’ educational choices, although this happened in two opposite ways. There are both those who decided to stop learning Icelandic because of the crisis, and those who decided to start learning the language, as they finally had time to do it when they were made redundant. Often the possibilities of attending courses have changed. A kindergarten teacher told us:

“Now the financial situation is like this that if I wanted to study, I would have to work less and I would have less money. And when I wanted to learn Icelandic last year, my employer would send me to a course and pay for it and let me do it in my working time. But this year they didn't agree, because there is less money and they cannot hire more people. Generally, there are too few people working, today we lacked 8 people, so there’s no possibility for me to do something else” (R2, 2010).

Although the economic recessions have historically always meant growing conflicts between the natives and the immigrants (Pudzianowska, 2007), in Iceland we haven’t seen strong signs of that. Most people claimed their contact with Icelanders was rather
positive, although some noticed that locals have changed. A 19-year-old girl said: “In the beginning, three years ago they were very tolerant and calm, and now when the crisis came, they are always in a hurry, they are so hotheaded” (R2, 2010). Others, however, admitted that the attitude to migrants was no longer as positive as before. An unemployed construction worker told us: “Now they started treating Poles as strangers, now they are acting as if they didn’t need us anymore” (R2, 2010). Another person similarly claimed that Poles stopped feeling welcome in Iceland and were expected to return, “I’ve heard that in the beginning Icelanders wanted to contact the ministry of labour in Poland (...) and organise some kind of job fair, kind of international, but only about Poland, so that people would go back...” (R2, 2010).

We met also individuals, who believed they had lost their jobs particularly because they were not Icelandic. They would explain to us that Icelandic employers favoured local rather than foreign workers:

“The boss [Icelandic] says: ‘you know, you can always go home to your country, right’? (...) They often don’t treat you as a person who can have longer plans, or as a person who just doesn’t want to think about it, who thinks – maybe I came here for a while, or maybe forever?”

It is obvious that some Icelandic employers overlook the complexity of the situation immigrants found themselves in. First of all, not all of them can simply return home, and secondly some are already settled in Iceland and do not want to leave. More tensed situation on the Icelandic labour market made some foreigners aware that they were seen only as guest workers rather than inhabitants, which have enhanced their insecurity.

Concluding remarks

As it is often indicated (Guðný Björk Eydal & Guðbjörg Ottósdóttir, 2009; Unnur Dís Skaptadóttir, 2010), immigrants are often seen in the Icelandic public discourse merely as labour force. Therefore, it was commonly expected they would return to their home countries in response to the worsening of the economical situation. It was assumed that the foreign population would shrink by half, but there is no evidence of a significant increase in the outflows from the country. Instead, many immigrants continue living in Iceland. It has become evident that not only the economic performance of the host society determinates individuals’ decisions and we need to look at this issue in a broader context. Our findings are in line with similar studies in Europe (Dobson, Latham, & Salt, 2009) and Iceland. In a report on foreigners and the financial crisis in Iceland, Hallfríður Þórarinsdóttir et al. (2009), present numerous opinions of immigrants on their current situation in relation to the situation they remember from their countries of origin. Similarly, Unnur Dís Skaptadóttir (2010), writes that many Filipino migrants consider their situation to be improved, despite of the economic downturn, since their life in Iceland is still better than in the Philippines.

We attempted to present a more nuanced picture of migrants' decision making processes. There is no simple response to the same circumstances, but – as we tried to show – people may apply opposite solutions to the same problem. Their rationality is often difficult to grasp, it is influenced by a number of different factors, not only economical but social and cultural ones as well. At the same time, immigrants are commonly seen as rooted in two countries, thus equipped with more possibilities. Icelandic employers preferred to lay off foreign workers on the promise that they can
find employment back in their home countries. As we tried to show, not everybody has easy way to return. Consequently, devoid of work in Iceland, without hope for job in Poland, with scant access to Icelandic social network, some immigrants found themselves in quite difficult position.

Jeromie Cukier (2010), basing on OECD report on migration and crisis, pointed out that:

“Immigrants were key drivers behind the economic boom, as they added skills and productivity to lift performance. Now, almost everywhere migrants are feeling the brunt of the crisis. Immigrants are particularly vulnerable during prolonged economic downturns, and this crisis has had the effect of throwing many immigrant workers out of work at a higher rate than for native-born workers.”

Similarly in Iceland, immigrants are a part of the Icelandic society, they contribute to its wealth, but also – which is often forgotten – suffer from the downturns. Their position is difficult, as because not being citizens they may have fewer rights than the native population and their continued presence in the country can be questioned. As it happened in the past, due to the increased competition for jobs, immigrants tend to be blamed for the recession and made feel unwelcomed (Pudzianowska, 2007). Thus, the current economic crisis poses a challenge for Icelandic society and its openness towards foreign population and ability to accommodate them.

References


Polish migrants in Iceland ...