## POLISH IMMIGRANTS IN IRELAND'S BLACK ECONOMY; A PHENOMENOLOGICAL INVESTIGATION

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#### **Declaration**

This thesis is submitted in partial fulfillment of the requirements for achieving a Masters of Business in Strategy and Innovation Management. I declare that this thesis is fully my own work.

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#### **List of Abbreviations**

EU European Union

GDP Gross Domestic Product

GNP Gross National Product

GUS Główny Urząd Statystyczny (Central Statistics Office of Poland)

OECD Organisation for Economic Co-operation and Development

PPP Purchasing Power Parity

SIPTU Services Industrial Professional and Technical Union

VEC Vocational Education Committee

#### **Abstract**

The purpose of this thesis is to answer the research question 'why do some Polish migrants engage in shadow employment in the Republic of Ireland?' The individual and group interviews, which were conducted in August 2011 with thirteen Polish migrants, living and working in Ireland, generated the answer to the research question. Interviewees' responses were analysed from the point of view of the literature that examines the various factors within the topics of migration and the black economy.

The thesis begins with theoretical background information regarding the enlargement of the European Union and the economic situation of Poland and Ireland. Then migration theories are explained and Polish and Irish migration history is presented. Next, the issue of the black economy and shadow employment is developed with a focus on its presence in Poland and Ireland. The following section is dedicated to the research methodology that was adopted to ensure effective collection of the information. The issues of the qualitative and quantitative research, phenomenological approach to the research and interviews as data collection are raised in that section. The last part of the thesis is based on an analysis of the respondents' statements. It explores interviewees' experience of life and work in Ireland. The main part of that section develops the reasons why do Polish workers engage in shadow employment in the Republic of Ireland. Simultaneously, it provides the answers to the research question of this thesis.

#### Introduction

In 2004 Ireland announced the decision that it would not impose any restrictions on the free movement of labour from the ten European Union accession countries. Consequently, Ireland became the country which operated one of the most open systems of economic migration in the EU (Forfas, 2005). This fact, as well as continued economic growth in Ireland, contributed to an increased number of immigrants, in particular Polish citizens. They responded enormously to the opportunity of migration to Ireland. They were encouraged often by the vision of higher living standard with the chance to obtain employment in the host country. It is noteworthy that in Polish culture there is a huge respect for work. Compulsory literature in Polish schools includes work from a nineteenth century trend called 'Positivism', which is closely associated with the cult of work. Moreover, the communist period in the twentieth century was characterized by full employment and it was unacceptable to be unemployed. Presently, in many Polish cities and towns, one can observe statues dedicated to "People of Work". Therefore it is not surprising that Polish immigrants to Ireland attempted to find any available job. Thanks to a skill shortage, Polish people could fill the vacancies that had arisen during the economic boom. However, an unknown number of new immigrants, found employment in the secondary segment of the labour market. The following statement from one of the research respondents demonstrates that this unexplored phenomenon of engagement Polish citizens in the shadow employment in Ireland is widespread.

"I don't know too many Polish people who have never worked illegally here [in Ireland]. Even for short period."

(Enda, 29 years old)

Kalaska and Witkowski (1996) state that in general, Eastern European countries are traditionally characterised by informal relationships between employers and employees, especially in certain sectors of the economy. However, Polish nationals, who settled in the Republic of Ireland, found themselves in a place with a different culture, a different community attitude toward the black economy, a different taxation system than the Polish one, a different labour market situation, and so on. As residents and employees in Ireland they also became subject to Irish law.

During the ongoing financial crisis in Ireland, interest and concern, about shadow employment is increasing. Simultaneously, policy makers attempt to reduce the phenomenon of the black economy. However, I believe, that this can be achieved only if both, employers and employees will perceive that legal employment offers more value to them than illegal employment. To make an effective policy therefore, the Government should be concerned with learning, what is of value to those parties involved. This could lead the way to a solution to this very complex problem, which will not greatly affect the employers and employees interests.

The purpose of the thesis is to open up discussion and research on the determinants of those engaged in the black economy. This dissertation will explore the reasons why, some of the Polish workers in the Republic of Ireland, choose to work in the black economy. The reasons will be identified using interviews that were conducted with thirteen Polish citizens living and working in Ireland. All of the respondents have experience in illegal work throughout various industries in the Republic of Ireland

Limitations to this study are associated with the researcher's lack of experience in conducting interviews and analysing responses. Moreover, time constrains could affect the research quality. Research had to be completed in accordance with the deadlines assigned by the Galway-Mayo Institute of Technology. Therefore, the possibility of conducting interviews with a larger number of respondents was reduced. Personally, I believe, that word limits also constrained more comprehensive and in-depth investigation of the problem.

This dissertation consists of four chapters. Chapter 1 and Chapter 2 will present theoretical background to the issue of Polish migration to Ireland and to the matter of shadow employment. In Chapter 1 information regarding EU enlargement and the economical differences between Poland and Ireland will be provided. Then, migration theory will be presented, thus giving a basic knowledge about the determinants of migration decisions. Following this, a brief introduction to both Irish and Polish migration history will be given. Finally, information about Polish nationals in Ireland will be provided.

Chapter 2 will explore the issue of the black economy focusing on the shadow employment in particular. The advantages and disadvantages of hidden employment for the State, the employer and employee will be discussed. This chapter also, will provide information about unregistered employment in Poland and Ireland. Next, it will develop issue of Polish workers in the shadow employment in the Republic of Ireland. Sectors associated with the hidden employment will be listed. Then the Social Welfare potential influence on the involvement of workers in the black economy will be discussed.

Chapter 3 will provide an analysis of the chosen research methodology. First, it will review the literature concerning the qualitative and quantitative research methods. Then it will provide information about phenomenology as an approach, which offers unequivocally, the cognitive value. Topic of interpretative phenomenological approach will be discussed. Subsequently, adopted data collection methods will be described. Next, information regarding motives to utilize chosen methods will be included in that section. Then, the limitations of the chosen methodology and the researcher's methods of dealing with these limitations will be explained.

Chapter 4 will outline the findings of the research, conclusions and recommendations. The respondents' statements will be analysed from the points of view that were reviewed in the literature, in Chapter 1 and Chapter 2. The analysis will be framed by five themes that explore the respondents' experience of migration to Ireland and shadow employment in Ireland. This chapter will increase understanding about unexplored until now, topic about the reasons why, Polish workers engage in shadow employment in Ireland. At the end of Chapter 4, in the discussion section, the investigation into the respondents' statements will be conducted from the researcher's point of view.

# Chapter One Polish migration to Ireland in the context of EU enlargement

## 1.1. The impact of the European Union enlargement in 2004 on European labour markets

The European Union is an economic and political partnership between 27 European countries. It was founded after the Second World War by: Belgium, France, Germany, Italy, Luxembourg and the Netherlands under the name of the European Coal and Steel Community. Its first enlargement was in 1973, when Ireland, Denmark and United Kingdom joined it. In the 1980s Greece, Spain and Portugal joined the EU followed in 1995 by Austria, Finland and Sweden. The most significant enlargement of the EU, in terms of its size, occurred on the 1<sup>st</sup> May 2004, when eight countries (EU-8) from central and Eastern Europe — the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia, along with the southern islands of Malta and Cyprus, joined the European Union. The last enlargement to date took place in 2007 when Romania and Bulgaria united with the EU (Communication Department of the European Commission, 2011).

One of the fundamental principles of the EU's single market is the free movement of labour. This enables all EU citizens to travel and take up employment freely in any other member state (Department for EU Presidency Communications, 2011). The enlargement of the EU in 2004 added a further 74 million people and resulted in a combined EU population of 451.7 million. Simultaneously, size of labour market increased to 208 million workers (Forfas, 2005). However, concerns about millions of work-seeking migrants led most governments to throw up barriers to the free flow of new EU-8 citizens, for at least two years (The Economist, 2004). Sweden and Ireland have opened up their labour markets from the very start; whilst Great Britain only required the simple registration of employees. Restrictions were lifted by various countries with the following timelines: in 2006 Finland, Greece, Spain, Portugal and Italy, in 2007 Luxembourg and the Netherlands, in 2008 France, in 2009 Belgium and Denmark and finally in 2011 Austria and Germany (Department for EU Presidency Communications, 2011). Consequently, within the first few years of membership of EU-8 in the EU, Ireland, United Kingdom and Sweden received the highest number of migrating workers from these countries.

## 1.2 Irish and Polish economic characteristics in a comparative perspective

#### 1.2.1 The Irish economy since 1990

Since 1990 Ireland has been transformed from one of Europe's economic and social laggards, for decades performing well below potential to a showcase of successful developing country in the 1990s (Lee, 2002). During the period 1994-2000, which is known as the fashionable neologism the 'Celtic Tiger', all of the key macroeconomic indicators were extremely positive (Sweeney, 2008, Murphy, 2000). Moreover, Ireland during the Celtic Tiger phase, was leading the European Union in nearly every economic activity (Sweeney, 1999). Between 1991 and 2003 the Irish economy grew by an average of 6.8, per cent per annum, peaking at 11.1 per cent in 1999 (Keohane and Kuhling, 2007). Furthermore, national income measured by GNP, or the size of the economy, doubled in real terms between 1987- 1998 (Sweeney, 1999). Between 1993 and 2000 over 450, 000 net new jobs were created (O'Hagan, 2000). Therefore, unemployment, which together with high emigration were Ireland's greatest and longest-standing problems, fell from 18 per cent in the late 1980s to 4.2 per cent in 2000. Ireland also started to experience positive net migration thanks to skill shortages (Keohane and Kuhling, 2007, Sweeney, 1999). Ireland's economic performance of that period can be also described by export growth, which was well above EU export (Kirby, 2002). Throughout the 1990s Irish living standards progressed dramatically and Ireland became one of the richest countries in the world. It boasted the fourth highest Gross Domestic Product (GDP) per capita in the world. During that time reversing emigration and a wave of immigration contributed to major social and cultural changes, that secularized, liberalized and cosmopolitanised Ireland (Keohane and Kuhling, 2007).

Subsequently, during the period 2001- 2007 Ireland observed a domestic boom along with continuously strong employment growth. The number of employed people doubled in the twenty years, to over two million in 2007 (Sweeney, 2008). The situation changed in 2008, when Ireland started experiencing recession, which resulted in a falling GDP, a rising deficit and unemployment.

#### 1.2.2 The Polish economy since 1990

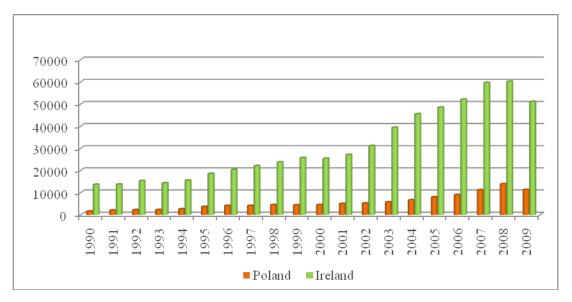
Jack Ewing (2011) notices, that there are some striking similarities between Poland's present economy and Ireland's economy in the 1990s.

After the collapse of the Soviet-dominated communist bloc in 1989, Poland began transforming its inefficient centrally planned economy into a market economy (Balcerowicz, 2000). This process of transformation caused a significant shift in values in all aspects of economic life. Its main premise was to accomplish the completion of free-market principles, based on the dominant and steadily growing position of private enterprises (Ministry of Foreign Affairs of the Republic of Poland, 2011). This transformation helped Poland to achieve growth above 5 per cent in the mid 1990s, this then declined substantially to reach a meager 1 per cent in 2001 and increased again in 2003. The slowdown in growth was accompanied by increased poverty and unemployment, which reached its peak of almost 20 per cent, just a few months before the country joined the EU in 2004 (Paci et al., 2004). In the period 2004-2008 the average annual GDP growth in Poland (5.4%) was more than twice the average growth in the EU-27 (2.3%) (Ministry of National Development, 2010). The New York Times (2011) points out however, that Polish people are feeling insecure, pessimistic and uncertain about the future, despite Poland being the only country in Europe to have avoided a recession during the financial crisis in 2009 and make progress in 2010 and 2011. Poland has made an improvement in rising personal income and GDP per capita. However, the gap between Poland's GDP per capita and the EU-27 average remains wide. In 2009 Poland's GDP constituted only 61% of the EU-27 average (Travel Document Systems, 2011).

## 1.2.3 A comparison of the Polish and Irish economies during the last two decades

The differences between Ireland and Poland in GDP per capita, unemployment rates and national minimum wages are outlined in the graphs below.

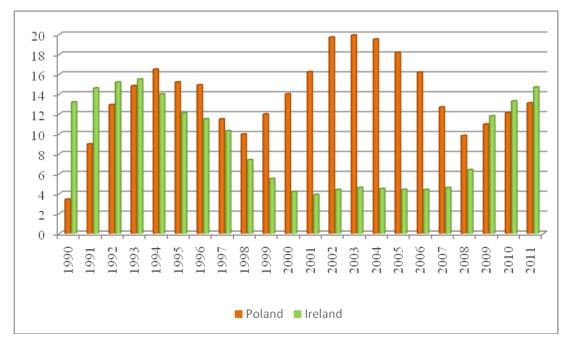
Chart 1.1 GDP per capita in Poland and Ireland between 1990 and 2009 in current US dollars



Source: Based on data from: The World Bank. 2011. *GDP per capita (current US \$)* [Online]. The World Bank Group. Available: http://data.worldbank.org/indicator/NY.GDP.PCAP.CD [Accessed 20.05.2011].

The GDP is defined as the total value of all goods and services produced domestically by a nation during a year (Farlex, 2011). GDP per capita is a measurement of how prosperous a country is to each of its citizens. GDP per capita measured in purchasing power parity (PPP) allows a comparison of the standard of living between countries by taking into account the impact of their exchange rates (Amadeo, 2011). Chart 1.1 highlights the differences in GDP per capita between Ireland and Poland. It is clearly noticeable that GDP per capita in both countries was growing over time, which shows an increase in productivity of both countries. However, Irish citizens benefited from higher living standards than Polish. The difference is significant and for each year the prosperity of a country to each of its citizens is higher for Ireland than for Poland.

Chart 1.2 Seasonally adjusted annual average standardised unemployment rates in Poland and Ireland in the years 1990-2010 (SUR) (%)



Source: Based on data from: CSO. 2011. Seasonaly Adjusted Standardised Unemployment Rates (SUR) [Online]. Cork: Central Statistics Office Ireland. Available: http://www.cso.ie/statistics/sasunemprates.htm [Accessed 30.05.2011]. GUS. 2011. Stopa bezrobocia w latach 1990-2011 (bezrobocie rejestrowane) [Online]. Warsaw: Glowny Urzad http://www.stat.gov.pl/gus/5840\_677\_PLK\_HTML.htm Statystyczny. Available: [Accessed 30.05.2011].

The unemployment rate refers to the percentage of the total labor force that is unemployed but actively seeking employment and willing to work (Investopedia, 2011). Chart 1.2 presents changes in unemployment in Poland and Ireland during a 21 year period. The most significant difference in unemployment in both countries is noticeable between 2000 and 2007. In that period, which is shortly before and after Polish entry to the EU, country experienced the highest unemployment. Whereas in Ireland, the unemployment rate for the same period was very low.

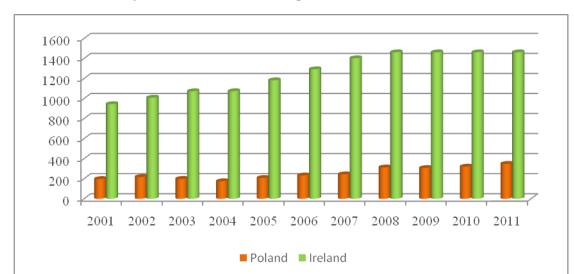


Chart 1.3 Monthly national minimum wages in Euro

Source: Based on data from: Eurostat. 2011. *Minimum wages (EUR/month)* [Online]. European Commission. Available:

http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tps00155&plug in=1 [Accessed 02.06.2011].

The minimum wage statistics published by Eurostat (2011) refer to monthly national minimum wages. The data shown in the Chart 1.3 applies to the situation on 1st of January each year. Minimum wages are gross amounts, that is, before deduction of income tax and social security contributions (Eurostat, 2011). The disparity between Poland and Ireland is noteworthy. Irish wages are a few times higher than Polish for every given year.

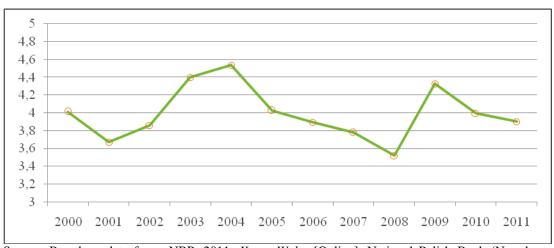


Chart 1.4 Yearly average exchange rates in PLN/Euro between 2000 and 2011

Source: Based on data from: NBP. 2011. *Kursy Walut* [Online]. National Polish Bank (Narodowy Bank Polski). Available: http://www.nbp.pl/home.aspx?f=/kursy/kursy\_archiwum.html [Accessed 30.05.2011].

Currency exchange is a rate at which one currency may be converted into another (WebFinance, 2011). The Polish Zloty exchange rate specifies how much one currency, the Euro, is currently worth in terms of the other, the PLN. Between 2000 and 2011 Euro could be exchanged for the highest amount of PLN in 2004 and for the lowest in 2008. That means, that in 2004 for every €100 one could receive 450 PLN, while in 2008 only 350 PLN.

#### 1.3. Irish and Polish migration experiences

### 1.3.1 'Push' and 'pull' migration factors and human capital approach

Migration is an increasingly important component of demographic change in the world. The United Nations (2011) states that the number of international migrants grew from 178,498,563 people in 2000 to 213,943,812 in 2010. Human driving forces for migration are both various and complex however, the approach initiated by Ravenstein in 1885 categorize such determinants for migration into macro 'push' and 'pull' factors (Corbett, 2009). Push factors cause people to leave their home country but this in itself is not enough. Push factors must be accompanied by pull factors, which attract those considering migration to a new country (Dobson, 2007). Classification of 'push' and 'pull' factors by World Bank (2007) is presented in the Table 1.1.

Table 1.1 Classification of 'push' and 'pull' factors

	PUSH FACTORS	PULL FACTORS
ECONOMIC AND DEMOGRAPHIC	Poverty, unemployment, low wages, high fertility rates, lack of basic health care and education	Prospects of higher wages, potential for improved standard of living, personal and professional development
POLITICAL	Conflict, insecurity, violence, poor governance, corruption, human rights abuses	Safety and security, political freedom
SOCIAL AND CULTURAL	Discrimination based on ethnicity, gender, religion	Ethnic (diaspora migration) homeland, freedom from discrimination

Source: Mansoor, A. & Quillin, B. 2006. Migration and remittances: Eastern Europe and the Former Soviet Union. Available: http://siteresources.worldbank.org/INTECA/Resources/257896-1167856389505/Migration\_FullReport.pdf [Accessed 10.06.2011].

Notwithstanding all direct motives; migration is always caused by the human aspiration to needs fulfillment. Therefore migration, defined as a permanent or semi-permanent change of residence, (Lee, 2008) is an activity aimed at improving an individual's life.

The enlargement of the EU in 2004 increased the international migration that is determined generally by the desire of migrants to enhance their economic situation. According to Bonin *et al.* (2008) almost 60 per cent of past migrants from the new member states changed location for job related reasons.

The decisions regarding the change of residence for economic reasons are well described by the human capital theory. It argues that "a rational individual base his decision to migrate on the present value of future income streams (his 'human capital') in any possible location net of migration costs" (Jandl *et al.*, 2009: 23). One of the most widely known hypotheses of human capital theory is the self-selection hypothesis. It states that

"(...) potential movers will base their migrating decision on the possible gain they can secure, by transferring their existing human capital to a different location, thereby increasing their future real income stream. Because the gains in income will be higher for certain individuals than for others- owing to their specific endowment with human capital- and because direct migration costs are supposed to be the same for all, it follows that migration will preferably be undertaken by individuals with certain characteristics."

(Jandl et al., 2009: 23)

Change of residence always requires costs, especially if distance to the place of destination is significant. While financial costs are important, psychological and social costs of forgoing contact with friends and family and the broader social spectrum also play a very considerable role. These costs are markedly noteworthy in regard to the age of potential emigrants (Kahanec and Zimmermann, 2009). Selfselection hypothesis suggests that younger people are more likely to migrate than the older generation. The burden of social, psychological and financial costs for older people is allied to the perception of diminished return from migration investment relative to one's life expectancy (Tassinopoulos et al., 1998). Another factor is the level of education of the emigrant. Better educated individuals may be in better a position to gain, analyse and assess information about the destination country, thereby reducing their cost of adjustment and thus are more inclined to migrate (Kahanec and Zimmermann, 2009). Additionally, linguistic barriers pose fewer problems for well educated workers. Next, single workers are more likely to change residence than married people who are swayed by the higher social, psychological and financial costs integral with increasing the size of the family. Family ties are in fact more likely to reduce the tendency to migrate. Therefore, the self-selection hypothesis describes typical migrant as a young, well-educated person without dependants (Jandl et al., 2009).

A decision on economic migration by any individual, with or without the above characteristics, is based upon several factors. Job opportunities in the country of destination, the unemployment rates, personal taxes, the cost of living, earning

differentials, the quality of public goods and generosity of the welfare systems are important determinants which influence migration flow (Tassinopoulos *et al.*, 1998, Kahanec and Zimmermann, 2009). Migrants give considerable attention to the high costs of maintaining ties with family, friends and other important people left behind when changing residence: for example economic costs such as phone calls or return trips and the psychological cost of adjustment to a new environment (Martinello and Rath, 2010).

However, potential migrants are often unaware of or ignore relevant information about both economic and non-economic factors as outlined above. In general people are likely to move to locations with easily accessible data and about which they might already be knowledgeable. When choosing to migrate, inaccurate information consequently increases the degree of insecurity and risk taking. Workers, in fact, are interested in realizing their objectives in the country of destination, and therefore should not ignore the importance of evaluating the labour market situation. The risk of failing to achieve the expected improvement is lower for well educated people and for young individuals who adapt more easily and for workers whose skills are transferable (Tassinopoulos et al., 1998). The costs of obtaining information and the degree of risk and uncertainty can be reduced in the case of developed network connections. Earlier migrants from the source country play an important role in encouraging additional migration from that source. They reduce transaction costs, provide and spread information, give advice, enhance job opportunities, help newcomers to familiarize themselves with the new environment in the host country and so on. Decisions are influenced by the experience of earlier migrants in the country of consideration (Galgoczi et al, 2009, Martinello and Rath, 2010). Another issue concerning migrants is the phenomenon called "illusion of return" or "the myth of return" which refers to an illusion that the change of residence is only temporary and it will be reversed. Movers are torn between their wish to return to their homeland and their desire or need to remain abroad (Coimbra, 2001, Martinello and Rath, 2010). Chambers (2010) indicated that "being a migrant" becomes then a permanent or semi-permanent state of mind, because psychologically a true home does not appear to exist anymore.

#### 1.3.2 Ireland's tradition of emigration

"There was no place to get a job. I'm an engineer and I was going to have to work in Super Macs after I finished my degree" said Andrew McGloughlan, who emigrated from Ireland to Bristol. "I finished University and had absolutely no opportunities" Valerie Collins explains her decision to move to London. Brendan O'Connor clarifies the reasons for leaving Ireland and migrating to Toronto, saying: "None of us had a chance. I think I will be away for a while" (The Social House, 2011). These people emigrated recently and prove that Irish emigrating history, which has been a dominating feature of Irish life for almost four centuries, is still ongoing (The Irish Times, 2011). Moreover, the Irish economy still remains to be a continuing drain on Ireland's population (Schrier, 1997).

"Irish emigration is seen by many as both triumph and disaster: on the one hand the Irish taking over the world, on the other the Irish banished and expelled from their own land by political, religious or economic oppression."

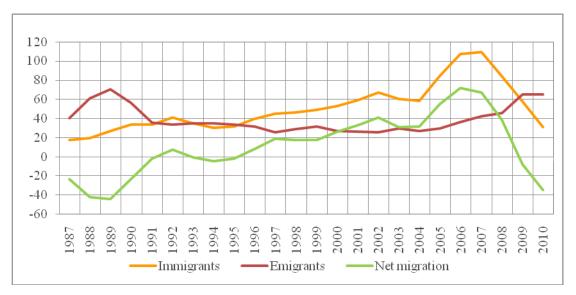
(Kearney, 1990: 13)

Irish emigration history dates back to the seventeenth century: however, the great outflow of the nineteenth century permanently changed the course of Irish history and the perception of the Irish abroad (The Irish Times, 2011). "Certain periods are often associated with Irish emigration, such as the famine and post-famine years (the 1840s and 1850s) and periods of major unemployment (1940s-1950s and the 1980s)" (Winston, 2000: 7). Moreover, with the exception of two episodes, the 1970s, when Ireland joined the European Economic Community and from 1996 to 2008, when Ireland experienced a spectacular economic growth, outward-migration was continuously occurring in the country (Winston, 2000, CSO 2010). However, even when there has been positive net migration; the numbers leaving the country still remained significant (Winston, 2000). Therefore, some authors such as Schrier (1997) conclude that since the great famine, emigration has been due more to attraction from abroad than repulsion from within. It demonstrates that Irish emigration is driven not only by 'push' factors but mainly by 'pull' factors from abroad.

In the Republic of Ireland, emigration reached its apogee in the 1950s when 50,000 people left annually (BBC, 2011). On average, 35,000 people were leaving the country a year during the 1980s (BBC, 2011). "During 1990-94, Ireland was the only one of the EU-15 countries with a negative net migration rate" (Ruhs, 2005: 10). However, the tendency reversed and Ireland started to experience positive net migration between 1996 and 2008. Many former emigrants returned to their homeland and thousands of citizens from the new EU accession states decided to settle in the Green Island (Fitzgerald and Lambkin, 2008). Rapid economic growth during the "Celtic Tiger" resulted in a situation of significant labour and skill shortages across many sectors of the Irish labour market, thus creating a demand for migrant labourers from both inside and outside the EU (Keohane and Kuhling, 2007). One of the ways to fulfill the demand was for Ireland to grant accession state nationals (EU-8) unrestricted access to its labour market immediately upon EU enlargement (Ruhs, 2005). In the twelve months prior to the EU enlargement, the Irish Department of Social and Family Affairs issued about 80,000 Personal Public Service (PPS) numbers, to people from the 10 new Member States (Migration Policy Institute, 2009). Furthermore, the CSO announced that over 960,000 PPS numbers were issued to all foreign nationals aged over 15 in the period from 2003 to 2008 (CSO, 2010). However, since 2009 net migration is negative (CSO, 2010), as a result of the recession in the country. Examined population change in years 1987-2010 is presented in the Chart 1.5 below.

Regarding the future of Irish migration, The Economic and Social Research Institute predict 100,000 Irish will be emigrating in the years 2011 and 2012 (O'Carroll, 2011). The Eurostat reported Ireland's emigration rate as the highest in the EU, with nine people per 1,000 leaving the State. However, these emigration rates include both Irish citizens and many non-nationals (Smyth and Stanage, 2011).

Chart 1.5 Immigration and emigration as components of population change in Ireland in years 1987-2010 (in thousands)



Source: Based on data from CSO. 2010. *Population and Migration Estimates* [Online]. Cork: Central Statistics Office. Available:

http://www.cso.ie/releasespublications/documents/population/current/popmig.pdf [Accessed 08.05.2011].

#### 1.3.3 The background of Polish international migration

Belhem and Tenfelde (2003) point out, that even among 'moving Europeans', Irish and Polish migrants occupy a pioneer (if unenviable) status in the historiography of migration and ethnicity. Emigration, both politically and economically determined, has been a phenomenon firmly present in Poland from the nineteenth century onwards, as well as in the consciousness of Polish people (Korys, 2003, Burrell, 2009).

For more than a century, being partitioned under Prussian, Austrian and Russian rule, Poland has been one of the largest emigration areas in Central and Eastern Europe and a vast reservoir of labour for many countries in Western Europe and North America (Iglicka and Ziolek-Skrzypczak, 2010). This tradition of migration remained largely intact when Poland regained independence after the First World War (Burrell, 2009). However, apart from mass movements of population caused by the redrawing of state borders and related international agreements, migration from Poland after the Second World War was seriously limited. "Very low scale mobility

was a consequence of the restrictive migration policy imposed by the communist regime" (Kaczmarczyk, 2006: 3). Throughout that time the communist propaganda preferred to ignore the issue of international migration, therefore reliable migration statistics are not available for the period after the Second World War until 1989 (Okolski, 2006). Nevertheless, emigration was still present. As a result the total number of long-term emigrants from Poland in the 1980s is estimated between 1.1 and 1.3 million people, which constitute 3 per cent of the total population (Kaczmarczyk, 2006). The fall of communism in 1989 clearly marked a fundamental change in Polish emigration (Burrell, 2009). During the transition period, the permanent emigration from Poland decreased and was replaced with various forms of short-term mobility, often described as incomplete migration or 'false' tourism (Weinar, 2011). This means that Polish people were moving abroad, usually for less than three months, as tourists. This enables them to engage into secondary labour markets overseas, and save money for life in Poland (Galgoczi et al., 2009). One of the most important stimuli of emigration in Poland's contemporary history was, the enlargement of the EU in 2004 (Galgoczi et al., 2009). Moreover, the post-2004 international mobility of Polish, due to its scale and dynamics, has also been heralded as one of the most spectacular population movements in contemporary European history (Burrell, 2009). The accession of Poland into the EU triggered substantial additional outflows of people destined mainly for Ireland and UK (Kahanec and Zimmermann, 2009). Removing employment restrictions regarding the free movement of workers in other countries besides UK, Ireland and Sweden has contributed to the changing number of Polish nationals in those countries. In 2004 the number of Polish emigrants residing in the EU was 750,000 and increased to 1 860,000 in 2008 and dropped to 1,570,000 in 2009 (GUS, 2010).

#### 1.3.4 The Polish in Ireland

Polish people were living in every town and city in Ireland at the time of the 2006 census. It was the only nationality apart from UK residents present in every town (CSO, 2006).

#### **1.3.4.1** Historical perspective

There is and evidence that the first group of polish settlers arrived in Ireland after the Second World War. Another group however, insignificant in number, arrived in 1980s (Grabowska-Lusinska, 2007). Subsequently, from the 1990s Polish nationals were migrating to Ireland for economic reasons (Grabowska-Lusinska, 2007). This third stream of Polish nationals to the Green Island is connected with EU enlargement in 2004.

In April 2003 the Irish Government granted accession state nationals unrestricted access to its labour market immediately upon EU enlargement in May 2004. This change in legal status concerned both, migrants arriving after 1<sup>st</sup> May 2004 and non-naturals who had already been resident or working, either regularly or irregularly, in Ireland before this EU enlargement (Laczko, 2006). There are some speculations, that the significant number of accession state nationals acquiring PPS number since 1 May 2004 had already been irregularly employed in Ireland before that date and used the situation to regularize their status (Laczko, 2006).

Irish authorities were expecting that the workers from the new member states would fill the large labour shortages, especially in low skill occupations, which prevailed at that time (FAS, 2008). Polish citizens responded significantly to the Irish decision. An Irish jobsite provided information for people coming to work to Ireland was launched in Poland in May 2004 in Poland. It received over 170,000 hits in its first day (RTE, 2004). That is evidence of the popularity of Ireland among Polish people after EU enlargement. In 2005 64,731 PPS numbers have been issued to Polish citizens by comparison with 3 828 issued in 2003 (Department of Social Protection, 2010).

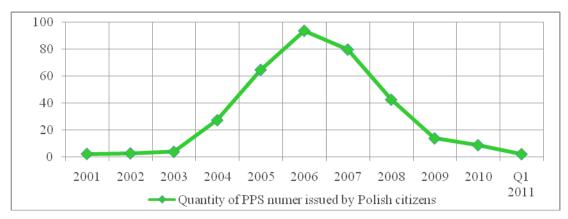
Presented below Table 1.2 demonstrates the number of work permits issued to Polish people between 1999 and 2004. Thanks to those permits these people could legally undertake employment in the Ireland before 1<sup>st</sup> May 2004. Table 1.2 can be supplemented with Chart 1.6, which exhibits the number of PPSN issued to Polish citizens in years 2001- April 2011. The tables show evidence of the increasing interest to work in Ireland, especially after EU enlargement in 2004.

Table 1.2 Number of work permits issued for the Polish people in years 1999-2004

YEAR	NEW	RENEWALS	GROUP	PERMITS	RENEWALS
	PERMITS		PERMITS	ISSUED	
1999	155	37	0	192	3
2000	810	95	0	905	5
2001	2082	415	0	2497	70
2002	1953	1192	0	3145	46
2003	2757	2051	0	4808	76
2004 (until	1171	743	0	1914	9
30.04.2004)					

Source: Department of Jobs, Enterprise and Innovation. 2011. *Work Permits Issued by Nationality* [Online]. Available: http://www.djei.ie/labour/workpermits/statistics.htm [Accessed 20.06.2011].

Chart 1.6 Table 2.8 PPS numbers issued to Polish citizens between 2001 and April 2011 (in thousands)



Source: Based on data from: Department of Social Protection. 2011. *Personal Public Service Numbers -Allocation by Nationality-All Countries 2010* [Online]. Available: http://www.welfare.ie/EN/Topics/PPSN/Pages/ppsn\_all\_years.aspx [Accessed 05.05.2011].

PPS numbers issued between May 2004 and December 2006 to Polish citizens, constituted almost 60% of all PPS numbers issued from the EU-10 (Grabowska-Lusinska, 2007). However, the cumulative quantity of PPS numbers from previous years is not an excellent indicator of the number of Polish living in Ireland, because it includes also seasonal workers and people, who decided to return to Poland or move to another country (Grabowska-Lusinska, 2007). According to the Department of Social and Family Affairs the quantity of PPS numbers issued to Polish between

January 2004 and April 2007 was 210,502 and only 69% of them were active (Grabowska-Lusinska, 2007). However, the Embassy of the Republic of Poland (2009) points out that some Polish residing and working illegally in Ireland have never applied for and obtained PPS number. There is also evidence, that during the recession in Ireland many Polish returned to Poland and some of them have moved to labour markets in other countries, e.g. Norway (GUS, 2010). Therefore, the number of Polish nationals living in Ireland is difficult to assess and various institutions gives different data.

#### 1.3.4.2 Reasons to migrate to Ireland after 1st May 2004

The decision to migrate is both complex and individual and the choice of Ireland by Polish people as a place to live and work was influenced by many various factors. Undoubtedly, the differences between Irish and Polish economic conditions were an important determinant in the selection of Ireland. Ireland as a high wage economy, together with good living and working conditions, effectively encouraged many Polish nationals to migrate (Kropiwiec, 2006). Labour market buoyancy and the opportunity to work without permits in Ireland therefore seem to be significant pull factors. Currency exchange rates between countries seem to have also influenced their decisions. In 1995 the Irish and Polish Governments signed Revenue to avoid double income taxation which also contributed to the choice of Ireland by Polish workers (Revenue, 2011). Kropiwiec (2006) believes that Polish nationals appreciate the opportunity to practice and improve their English in Ireland, which in addition to the working experience gained abroad will be in future a very valuable asset in the Polish labour market. Moreover, the increasing number of Polish people has also strengthened the migrant social networks and the performance of 'chain migration'. This improved the spread of information about living and working conditions in Ireland and influenced the decisions of potential migrants. Additionally, research by Nolka and Nowosielski carried out in 2006 demonstrated that Polish perceive the Irish as friendly with positive attitudes toward immigrants. Moreover, 75% of those surveyed claimed that they had never experienced any form of discrimination that had an impact on the decisions of future immigrants. Furthermore, the Polish media stated that Ireland is a very successful country, emphasizing that Ireland has a common emigration history and the dominant faith is Catholicism. This contributed to a vision of Irish society as one very similar to Polish (Laczko, 2006). The final significant factor which played a role in enhancing the attractiveness of Ireland were low travel costs. The result of the expansion of cheap airlines and the launching of direct flights and new communication technologies were enabling migrants to maintain contacts and identification with their friends, family and home society (Komito and Bates, 2009, Laczko, 2006). The significance of those financial, psychological and social costs for making migrating decisions is captured in the previously described human capital approach.

The large number of Polish nationals in Ireland was the conduit to establishing a market of Polish goods, such as food, books and cosmetics (Komito and Bates, 2009). Additionally, the increasing availability of Polish services in Ireland, such as medical services, hair and beauty salons, garages, Polish schools and masses in Polish language improved the quality of the immigrants' lives.

Laczko (2006) based on discussions on Polish internet forums, indicates, that the dominant factors which influenced migrants decisions were frustration and lack of prospects. Meanwhile, Nolka and Nowosielski (2009) demonstrate that only 3 per cent of respondents of their survey had been jobless before they moved to Ireland. This clearly shows that this move was a choice taken by people who were actively in search for ways to improve their lives, and were not only searching for a job. Moreover, many of the migrants (according to Nolka and Nowosielski 17.6 %) never sought employment in Poland, but immigrated immediately after graduation. The unemployment rate in Poland after 2004 was decreasing and the number of vacancies had been rising sharply (Galgoczi *et al.*, 2009). Therefore, needless to say migrants' decisions have not been influenced by push factors alone, but pull factors also played an extremely important role in their decision making (Galgoczi *et al.*, 2009).

#### 1.3.4.3 Profile of Polish citizens who arrived after 2004

Galgoczi *et al.* (2009) point out, that the profile of Polish migrants to Ireland after 1<sup>st</sup> May 2004 differs from the typical Polish migrant from the period before accession. Moreover, it differs too from the profile of Polish migrants to countries other than

Ireland, UK or Sweden. After 1<sup>st</sup> May males constituted 69 per cent of Polish migrating to three member states that opened their labour markets, in comparison with 55 per cent prior to free movement (Galgoczi *et al.*, 2009). The second important characteristic is the increased number of young people (aged 20-39). After 2004 the percentage of those aged 20-24 has increased from 23 to 24 per cent, of those aged 25-29 from 22 to 28 per cent and those aged 30-34 from 12 to 14 per cent. Therefore, it can be clearly seen, that migration has been dominated by people of an economically active age (Burrell, 2009). Another characteristic taken into consideration is the level of education of the migrants. The share of university graduates in 1994-2003 had never exceeded 15 per cent, while after 2004 it had risen significantly to 19.8 per cent (27 per cent in case of female migrants). Simultaneously, the number of migrants with a lower level of education than vocational dropped from 45.1 per cent to 37.1 per cent (Galgoczi *et al.*, 2009). Age and educational characteristics of Polish migrants in Ireland suggests self-selection hypothesis to be true in this case.

#### 1.3.4.4 Employment patterns of Polish migrants in Ireland

In general, immigrants to Ireland are not employed in occupations that fully reflect their educational attainment (Barrett *et al.*, 2006). This problem also concerns Polish immigrants. Many of those with third level education were undertaking work below their qualifications: low-skilled and low-paid jobs, usually in the private sector (Turner *et al.*, 2009). A significant reason for this was insufficient knowledge of the English language. Considering that many Polish emigrated mainly for financial reasons, most of them have not reported their frustration, as they believe working and living in Ireland to be temporary (O'Connell and McGinnity, 2008, Galgoczi *et al.*, 2009).

AIB (2006) suggests, that 25.8 per cent of all immigrants from the accession countries, including Poland, work in Ireland in construction (in comparison with 12.4 per cent of Irish employees working in this sector) and another 21.8 per cent (15.2 per cent of the Irish) in other production industries. About 16.5 per cent (5 per cent of the Irish) work in hotels and restaurants and 11.8 per cent in wholesale and retail

trade (14 per cent of the Irish). This means that 75.9 per cent of nationals of the new member states work in low skilled and/or seasonal industries (Laczko, 2006).

Grabowska-Lusinska (2007) based on a survey of 1,389 Polish people, argues that 23 per cent of the Polish in Ireland work in construction, 13 per cent in food sector (restaurants, pubs, etc.), 11 per cent in hotels, 9 per cent in transport section, then 8 per cent on child minding and care of elderly people, and finally 7 per cent work in cleaning jobs. Nevertheless, this research confirms the AIB one, which indicates that Polish immigrants undertake low skilled jobs.

The survey by Turner *et al.* (2009) identifies that satisfaction levels with pay and working conditions among Polish workers are relatively high. The research indicates that a majority (55 per cent) was definitely satisfied with the pay in their present employment, and 59 per cent with working conditions, while only 6 and 2 per cent, respectively, were not satisfied.

One of the factors which contributes to Polish workers' satisfaction with work experience is the treatment by employers and supervisors. Table 1.3 demonstrates the response of Polish regarding their experience of working conditions in Ireland from the above mentioned survey by Turner.

Table 1.3 Experience of working in Ireland

	TREATMENT	TREATMENT	TREATED	OVERALL
	BY IRISH	BY DIRECT	THE SAME AS	SENSE OF
	EMPLOYERS	SUPERVISOR	OTHER IRISH	WELL-BEING
	(%)	(%)	WORKERS	WORKING IN
			(%)	IRELAND (%)
VERY GOOD	30	35	33	22
GOOD	38	38	36	44
OKAY	29	23	21	28
POOR	3	3	10	6
VERY POOR	0	1	0	0
TOTAL	100	100	100	100

Source: Turner, T., D'art, D. & Cross, C. 2009. Polish Workers in Ireland: A Contented Proletariat. *Labor Studies Journal* [Online], 34. Available: http://lsj.sagepub.com/content/34/1/112 [Accessed 25.06.2011].

As indicated previously, 55 per cent of Polish workers in Ireland were satisfied with their earnings. These findings are surprising, when one considers that the hourly rate of pay of the majority of surveyed Polish employees was well below the average hourly industrial earnings, as shown in Table 1.4. "Indeed, 70 per cent reported hourly earnings below half the average hourly rate of  $\in$ 19.82, while only 10 per cent of respondents earned close to the average rate" (Turner *et al.*, 2009: 122). Nevertheless, 97 per cent of the respondents were paid at or above the national minimum wage, which at the time of the survey was  $\in$ 7.65. "While the minimum rate is well below the average industrial wage, it compares favorably with the average hourly wage rate in Poland" (Turner *et al.*, 2009: 122).

**Table 1.4 Hourly earnings of Polish nationals** 

HOURLY RATE OF PAY (€)	PERCENTAGE OF
	RESPONDENTS
Less than 7	3
7.65 (national minimum wage in 2006)	24
7.65 to 10	43
10 to 15	20
15 to 20	10
Total	100
Average hourly earnings in Ireland in	€19.82
manufacturing and industrial sector	
Average hourly earnings in Poland in industrial	€4.0
sector	

Source: Turner, T., D'art, D. & Cross, C. 2009. Polish Workers in Ireland: A Contented Proletariat. *Labor Studies Journal* [Online], 34. Available: http://lsj.sagepub.com/content/34/1/112 [Accessed 25.06.2011].

Turner *et al.* (2009: 122), indicate that "Polish workers who remain in Ireland may compare their pay and working conditions more closely with those of Irish born workers and raise their expectations accordingly".

#### 1.3.4.5 The future plans of migrants

The propensity to return to Poland is connected to the objectives of Polish immigrants and their initial intention regarding their length of their stay. Kropiwiec (2006) classifies Polish citizens residing in Ireland into two groups:

• Target earners, who left Poland for economic reasons, with the intention to return after a particular time, or after they have saved a particular amount of money for a specific goal e.g. wedding, car, new business; they often make large remittances to their families still in Poland; their command of English is very often weak; they usually work in sectors which do not requires high qualifications. However, those who decided to stay longer appreciate opportunity to improve their language skills and personal development. Many of those, who are underemployed, want to find jobs commensurate with their education, training and past experience. Interview conducted by Grabowka (2005) gives evidence of presence 'target earners' in Ireland:

"I started to build a house... I was working a year and a half [in Poland] and I couldn't see any results of my work and I needed to do something with it. Work abroad; it was the only chance to finish up this house".

(Henryk, 34, Carpenter)

• Global cosmopolitans, young, well-educated, who use English in their work and enjoy freedom of movements within the EU and do not tie their future to one place. Financial portal Money.pl's research from 2011 indicates that 16 per cent of respondents were considering leaving Ireland and moving to other countries (Rzeczpospolita, 2011, Grabowska-Lusinska, 2010). One of the global cosmopolitans told Kropiwiec (2006) at the interview:

"Generally I was missing something. Not in the economic, financial sense; I was just missing adventures. I wanted my life to be more interesting. And when the opportunity came, I decided to take it".

(Female, 27, Staff member in pharmacy)

Regarding the future plans of Polish migrants, a very interesting phenomenon is occurring, which seems to be reminiscent of the "illusion of return" described earlier.

Research by ARC Rynek I Opinia from 2007, Money.pl from 2008 and 2011, WUP Gdansk and EURES show that a high percentage of Polish immigrants in Ireland do not know if they will return to Poland or not. They state that they are analyzing the situation in Ireland and Poland and they are waiting for appropriate stimulus and opportunity. Moreover, this 'intentional unpredictability' leads to a situation, when migrating decisions might be very spontaneous. A survey of over 2,000 Polish emigrants conducted by Money.pl demonstrated, that even respondents who are sure, that they will go back to Poland (13 per cent), do not know when it will happen (33.7 per cent of them) or they are planning to return in a few years (26.9 per cent of them) (Grabowska, 2010). Kropiwiec (2006) noticed that the decision to return to Poland seems less likely the longer Polish migrants stayed in Ireland.

"Building up new social networks and creating stronger links with Ireland, such as making new friends, or sending a child to an Irish school, made Ireland a more comfortable place to live in than distant Poland."

(Kropiwiec, 2006: 34).

Moreover, even during the recent financial crisis, many Polish state that return to Poland would not improve their situation; therefore they choose to stay in Ireland (Rzeczpospolita, 2011). Iglicka summed up the situation of Polish immigrants in UK and Ireland, who initially planned to stay only for a short time in one sentence "There is nothing more permanent than temporary migration" (Rzeczpospolita, 2011). One of the Kropiwiec's interviewers seems to confirm that thesis:

"As I know the language better; as I stay here longer; I want to live here. I got used to it. Or rather, I got unused to Poland. I don't know if I will find myself back there. Now, when I am in Poland I think that I am coming back home when I come here."

(Female, 34, administrator) (Kropiwiec, 2006: 34)

In Chapter 1 background information to the Polish migration to Ireland was provided. Chapter 2 will explore issue of the black economy and shadow employment in Ireland and Poland in particular.

# Chapter Two A review of the black economy in Ireland and Poland

### 2.1. Introduction to the black economy

This chapter will provide a review of the literature regarding the black economy and shadow employment with an emphasis on such employment in Poland and Ireland.

When analysing literature regarding the 'black economy' one can perceive that there is endless ambiguity surrounding the topic, which goes under a variety of names: 'parallel', 'hidden', 'informal', 'unregistered', 'unofficial', 'underground', 'shadow', 'illegal', 'untaxed', 'second', 'clandestine', 'undeclared' (Tanzi, 1982, Cullis and Jones, 2009, Pater, 2007, Allesandrini & Dallago, 1987). At first, the size of the black economy problem is unknown and can only be estimated. Secondly, boundaries between what is included in the black economy and what is not, are not explicit and vary depending on the country. Finally, there is no single definition of this phenomenon and different authors, such as Tanzi, Freige, Contini, Schneider and Buehn or Frey provide different perspectives on this issue. Despite the phenomenon of the black economy has multiple-definitions, for the purpose of this dissertation the broad explanation of the issue by Allesandrini and Dallago (1987: ix) will be used:

"(...) the income that is not reported to the tax authorities, regardless of whether such an income is, or is not, measured by the national accounts".

Leddin (1998) suggest further declassification of the black economy's transactions: illegal transactions, which are not reported for obvious reason, such as drug dealing, burglary, robbery, prostitution (in some countries); and legal transactions, such as unreported income from informal work, that are kept hidden to avoid paying taxes on them.

The shadow economy is extremely difficult to capture and measure. Due to its unrecorded and illegal nature all data about the size of the black economy runs the risk of being inaccurate and information about its causes has a risk of bias. The available figures are generally incomplete and often contradictory, but they give an idea of the importance of the shadow economy problem.

The black economy is not however, a new problem and it is found in economies in all countries. Nevertheless, there is a disparity in the size of it between states. The estimation of Schneider and Buehn (2007-9) for 120 countries will be supportive in proving the previous statement; they assessed that in 2004/2005 the average size of the shadow economy (as a percent of 'official' GDP) in 76 developing countries was 35.5 per cent, in 19 Eastern and Central Asian countries 36.7 per cent and in 25 high income OECD countries 15.5 per cent. Their focus is on legal economic activity that is not taxed. In 2010 Schneider pointed out that, for the first time in a decade, transactions taking place outside the taxable and observable realm of the official economy captured by GDP numbers were increasing (The Economist, 2010). Moreover, he states that 35.2 per cent of all employed people in 145 researched countries were participating in undeclared work in 2003.

Lemieux (2007: 10) points out, that the very simplified and fundamental cause, which encourages people to engage in the shadow economy, is perfectly captured by Adam Smith in his famous book "Wealth of Nations" (1776):

"Smith saw the foundation of modern society in the division of labour, which itself came from 'a certain propensity in human nature...to truck, barter, and exchange one thing for another'. Exchange is fundamental dimension of human relations, and occupies a central place in economic theory. Every time the propensity to exchange is considered, individuals try to circumvent the constrains in order to obtain what they perceive as the benefits of exchange. In other words, when impediments prevent exchanges in the official economy, demanders and suppliers will often retreat in the underground economy to pursue their trades."

Additionally, Lemieux (2007) believes that the theoretical and empirical literature suggests that the main impediments that push individuals to the shadow economy are taxes, regulations and prohibitions.

The next sections of this dissertation focus on unregistered work, which is a legal transaction, but kept hidden from the Government.

## 2.2. The benefits and drawbacks of shadow employment

Unofficial work is defined by Contini (1990: 4) as:

"(...) the production of goods and services utilizing manpower (often outside the factory premises) that remains outside wage regulations, without health and social security cover and with no safeguarding of its working conditions."

Clandestine employment is characterized by Tanzi's (1982: 29) as:

"(...) having a sole or secondary gainful, noncasual occupation that is carried out on or beyond the fringes of the law or the terms of regulations and agreements".

Using Tanzi's definition two major categories of clandestine workers can be distinguished:

- People, who work in both formal and informal ('cash-in-hand') economies. Their income from the informal job is an addition to their earnings from a regular, declared and appropriately taxed job. In this case the second job may be strictly cash, no-tax activity. This illegal activity is also called 'double (or multiple-) jobbing' or 'moonlighting'.
- People, who carry on clandestine work as their sole occupation on either a
  systematic or a casual basis. The criticism of these workers results from their
  propensity to also enjoy further unearned income, such as social welfare
  benefits or unemployment payments (Tanzi, 1982, Cullis & Jones, 2009,
  Pater, 2007).

Governments believe that unregistered employment is harmful to the economy. However, the studies by, for example Schneider and Enste (2002), suggest that this

approach is only partly valid. The obvious and well known disadvantages affect public income and therefore, the provision of public goods (Bovi, 2002). Secondly, those businesses which operate an underground economy and consequently illegally reduce the amount of receipts, gain an unfair competitive advantage over the businesses that comply with business laws. This results in unfair competition in the marketplace and forces law-abiding businesses to pay higher taxes and expenses (Employment Development Department, 2008). Another criticism of the black economy is related to the deprivation of employees' rights. The conditions they are working in may not meet legal requirements, which can put them in danger. Their wage level may also be less than that required by law, entitlement to breaks and holidays may not be obeyed. Illegal employees are also not entitled to social security benefits, such as sickness and maternity allowances, disability pensions or retirement pension (Pater, 2007). Additionally, Pater (2007) points out, that clandestine employment generates a 'fare dodger effect': workers who conceal their earnings have an opportunity to use services financed by the government (e.g. public education, subsidized cultural institutions). Those unregistered employees also receive social benefits (e.g. family benefit, housing subsidies, and social welfare benefits) even though their real income may be higher than the income thresholds for these forms of assistance. Undeclared employment also aggravates the lack of respect for the law which is now the main regulator of social behaviour. Finally, a prospering shadow economy makes official statistics (on unemployment, official labour force, income, consumption etc.) unreliable, leading to inappropriate policies and programs for the actual situation (Shneider and Enste, 2002).

The shadow economy has however, some positive economic and social aspects. Schneider and Enste (2002) consider that at least two-thirds of the income received 'under the table' is immediately spent in the official economy, which has a considerable positive stimulus effect on the regular economy. Unregistered workers, by purchasing commodities and services, increase consumer demand and indirectly contribute to increased budget revenue due to VAT. Moreover, they help to create new legal workplaces to a certain extent (Pater, 2007). Tanzi (1982) and Pater (2007) suggest that from the employee's point of view unregistered work, is often the only possible income the worker can receive, especially in case if he/she is poorly qualified. Those earnings help to provide employees and their families with the basic

vital needs to maintain or improve their living standards. Subsequently during the most recent financial crisis, which is pushing more people to avoid the extra burden of taxation by resorting to informal transactions, the unofficial economy can act as a cushion or safety valve (Tanzi 1982, The Economist, 2010). This gives workers an opportunity to avoid bankruptcy or poverty. The undeclared economy can also benefit employers, decreasing the cost of labour to ensure flexibility, which is often the only way to get short-term workers and complete a job quickly. Also unofficial employment reduces the economic risk associated with formalizing worker status, such as the need for sick leave pay, time of dismissal-notice and redundancy payment (Pater, 2007).

## 2.3. Clandestine employment in Poland's contemporary economy

Cichocki (2006) states that research on the size of the shadow economy in Poland began in the 1980s. After 1989 interest in the black economy was rising. However, there is little reliable data about the size of the problem from that period. What is definite is the fact that after the fall of the communist regime, which was characterized by full employment, changes in the employment market were fostered on conditions that encouraged Polish nationals to seek work elsewhere (Currie, 2009). As tourists they were traveling mainly to EU Member States, where they could stay for a period up to three months. During that time, Polish people undertook unregistered employment usually in metropolises, such as Berlin, Brussels, London, Vienna and Rome. They worked as cleaners, home help or construction workers (Galgoczi et al., 2009, Burrell, 2009). Unemployment in Poland was increasing and money earned in the West helped people to improve their standard of living. Galgoczi et al. indicate that those, who emigrated during the decade before Poland joined the EU, were rather low-qualified. The institutional restrictions made it very difficult for them to participate in the official labour market abroad. Therefore they were often entering the secondary segment of the labour market (Galgoczi et al., 2009).

Initial research of unregistered employment in Poland was first conducted in 1995,. This was followed by research in 1998, 2004 and most recently in 2009 by the Polish Central Statistics Office (called GUS). In this research the size of the black economy is presented as the number of people engaged in it. In 1995 it was 2,199,000 people, in 1998- 1,431,000, in 2004- 1,317,000 and in 2009- 785,000 (Kalaska, 2010). The decreasing trend means that Polish unregistered employment is declining since the beginning of the transition period (Cichocki & Tyrowicz, 2009). However, the GUS omits moonlighting and considers only employment in the shadow economy as main work. Very often unofficial employment in Poland has a form of additional work to the registered one, so this data does not represent the problem well enough (Jablonska, 2009). GUS estimates that the black economy in 2006 was about 15 per cent of Polish GDP, which constitutes 200 billion PLN (Blaszczak, 2010). Independently, experts from abroad: Schneider and Buehn (2009) using different methodology than GUS, estimated, that the black economy in Poland 1999-2006 was on average 26.3 per cent of Poland GDP.

The Ministry of Labour and Social Policy commissioned very in-depth research on the size, structure, determinants and consequences of unregistered employment, which was carried out in 2007. Findings from this research show that men constituted 67 per cent of those performing informal work (Kalaska, 2010). Moreover, 38.5 per cent of unregistered workers have completed secondary school or have higher education, while the majority, 61.5 per cent have low qualifications having completed only primary or vocational school (Kalaska, 2010). To find employment these persons are willing to accept a lowered or zero level of social security and workers rights (Walewski, 2007).

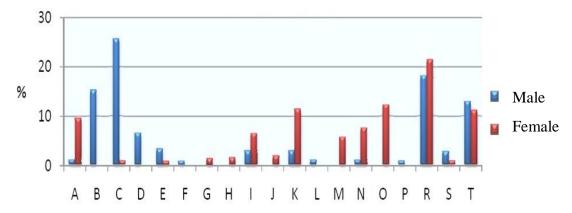
Clandestine workers perform their undeclared employment in other households as carers of children and/or elderly people, on individual farms and agriculture as farmers and auxiliary staff, and also in constructions, restaurants and the retail trade (Walewski, 2007).

Those with higher level of education are usually engaged in secondary labour market to gain an additional income. This group includes health care specialists, teachers and workers in the financial services (Walewski, 2007, Blaszczak, 2010, Kalaska,

2010). The Figure 2.1 shows structure of illegal workers regarding their gender and the type of latest work performed.

### Chart 2.1 Structure of people employed in the black economy regards their gender and the type of the latest performed work

**A**- trade; **B**- building and installation services; **C**- renovation and repair of construction and installation; **D**- maintenance and repair of cars and other machines; **E**- transport services; **F**- repair of electrical equipment; **G**- healthcare services; **H**- hair and beauty services; **I**- tourist and gastronomy/catering services; **J**- financial and law advice; **K**- teaching; **L**- translating services; **M**-tailoring; **N**- domestic jobs (e.g. cleaning); **O**- child minding and caring for elderly people; **P**- security services; **R**- gardening and farming; **S**- production activity; **T**- neighbourhood help



Source: Kalaska, M. 2010. Praca Nierejestrowana w Polsce w 2009 roku. Warszawa: GUS Available: http://www.stat.gov.pl/cps/rde/xbcr/gus/POZ\_praca\_nierej\_w\_pol\_2009.pdf [Accessed, 20.05.2011].

Some of the reasons cited for engaging in unregistered work were: difficulty finding registered employment, insufficient income, difficult family or living situation, high taxes and social insurance contributions. Other factors included, not having sufficient qualifications to be hired legally. The fear of losing some social welfare and the flexible nature of labour relations between the employer and the clandestine worker were also listed. Next, the higher wages available from unregistered work and constrains in the mobility of employee were listed (Pater, 2007, Kalaska, 2009). Two-thirds of undeclared employees said, that without income from extra work, they would find it hard to survive or would suffer great hardship, as the extra income is necessary to meet the basic needs of their households (Pater, 2007). Research indicates that a large number of respondents, declaring the illegal character of their work, would choose employment in the shadow economy even if they had the opportunity to work in the official economy. They prefer to have informal relations

with their employer, as they believe, that those kinds of relations are more effective (Gacki, 2008). Moreover, for many unregistered workers the advantages of legalizing their status is not important. Social protection or the level of future retirement payment is less significant, because it is delayed in time (Gacki, 2008), while benefits, in form of present day earnings are visible immediately (Walewski, 2007).

Research also shows that the shadow economy is widely approved by Polish society. About half of those questioned accept or are indifferent to the fact that somebody undertakes black economic activity. Only 45 per cent of the population do not approve of this phenomenon (Walewski, 2007).

Anam (2008) believes that in Poland engagement in the shadow economy is at present, more often reasoned by a conscious choice than by a necessity. In Poland 45 per cent of people have very strong preferences for undeclared work, as they would undertake unregistered work if the opportunity arose (Walewski, 2007).

### 2.4. Unregistered employment in Ireland

Attitudes toward shadow employment among the Irish vary. One can find people, who are opposed to it, some who are indifferent and others, who do not see anything wrong with it. The last case can be due to lack of trust in Government, as is indicated by Irish forum users:

"I always pay cash when I can. The way I see it I already paid the tax on the money when I earned it. Why the hell should the government take another bite when I spend it just so they can pay some public servant 25% more than me for doing the same job? I'd sooner set fire to it".

Tradecat, September, 2009 (http://www.politics.ie)

"A shadow economy is a good thing. The more money Government has, the more it wastes. A thriving shadow economy means that people are spending again. Money is moving and generating wealth. Tell them to keep their hands off it".

Braighni, September, 2010 (http://www.thepropertypin.com)

The literature concerning Irish clandestine employment is quite limited. Mayor (2011) suggests that only a few studies on shadow economy were conducted in Ireland and that most of them date back to the 1980s. However, they were focused on the size of the hidden economy and they were all macroeconomic studies. Fagan (2011: 11) states, that "the black economy gradually increased from low levels in the 1960s and reached a peak of 15% of GDP in 1983 before falling back to 11 % in 1992". During the Celtic Tiger, the black economy was overlooked to a certain extent due to sufficient legitimate taxes being submitted by businesses (Kieran, 2009). The current recession however, has highlighted the problem described by newspapers as a re-emergence of the black economy from the 1970s and 1980s (Mayor, 2011). Schneider and Buehn (2009) indicate that the problem was ongoing and in the years 1996-2006 the size of the shadow economy was on average 13.4 per cent of Ireland's GDP, up from 12.1 per cent in 1996 to 14.5 per cent in 2006. The Irish Small & Medium Enterprises Association estimates the cost of black economy activities in 2010 at 14 per cent of GDP. This would equate to €22.5 billion per year, or €433 million per week, but anecdotally the figure could be much higher (Business & Leadership, 2010). Furthermore, as Minister for Social Protection Joan Burton said, there is strong evidence that Ireland's black economy is growing and there is pressure in society to pay people "under the counter" (McGee, 2011).

Sectors that are particularly affected include the construction industry, the childcare sector, hotels, road haulage, restaurants, bar trade and private security (Weston and O'Hora, 2008, Sinclair *et al.*, 2008, Murdoch, 1993).

CSO statistics from 2006 reveal that there were about 220,000 people working in construction. Walsh (2006) highlights concerns that some employers in the construction sector were not declaring either all or some of their employees to the tax authorities - or falsely declaring workers as self-employed so they can avoid paying statutory benefits. Consequently, between 50,000 and 70,000 construction workers in Ireland are in danger of being left without pension rights, life assurance and sick-pay benefits (Walsh, 2006).

Madden (2011) suggest that in the childcare sector, there is anecdotal evidence to suggest that a growing number of uninsured, unregistered individuals are operating informally as childminders, caring for a small number of children in their own homes.

According to Mark Fielding, chief executive of the Irish Small and Medium Enterprises lobby group, the main reasons for black economic activity in Ireland are: the social welfare system and its benefits, which in some circumstances, affords dependent householders a higher standard of living than those who work. Next he lists the high cost of doing business, the huge administrative burden and regulations together with the low rate of detection (Weston and O'Hora, 2008). However, there is a lack of detailed research on the causes and determinants of work in the black economy as well as on number of clandestine workers in each sector of the Irish economy.

### 2.5. EU-10 immigrants and their entitlement to Social Welfare

Fielding (2011) believes and highlights that the Social Welfare system is partially responsible for the size of the black economy:

"The attractiveness of Ireland's Social Welfare system is contributing substantially to the ongoing problem. As the system is not designed to make it easy for people to take irregular temporary work, the effect is that individuals end up signing on and also working when they can, leading to millions in illegitimate dole claims. With rising costs and taxes, there's also an incentive not to work, or to work but avoid tax. The system itself therefore offers a significant incentive to operate within the shadow economy, encouraging undisclosed employment without taxes or regulations, while claiming assistance from the state".

In Ireland social welfare payments, known also as a non-contributory are paid to individuals, who prove their inability to financially support themselves and their families. They are also paid to immigrants from EU-10 (Barret *et al.*, 2011). To be entitled people must document their income, which should not exceed a particular amount. Needless to say, only official income is taken into account, while assessing entitlement to payments. People receiving social welfare payments whilst also being paid 'under the table' are breaking the law (Murdoch, 1993).

The Irish Labour Market Review (2008) highlights the danger of the large differential between social welfare rates in Ireland and Central Europe. In recessionary times, EU-10 workers can be discouraged from seeking work at home, if the amount that they can earn is less than what they are entitled to from the Irish social welfare system (FAS, 2008).

An analysis of the benefits offered by the Polish and Irish Department of Social Protection illustrates that generosity of Irish system is far greater. Benefits are higher, bureaucracy is limited in comparison with Poland, income thresholds are higher and they are granted for a longer period. Ireland is one of the few OECD countries with an unlimited duration of social welfare benefits (Weston and O'Hora, 2008). The factors listed above factors may influence peoples' decisions about entering the secondary labour market and motivate them to dishonesty and to cheating on the state.

### 2.6. Polish nationals in Ireland's shadow economy

Immigration adds 'mouths to feed and hands to work' (Laczko, 2006). This sentence in the case of immigrants working illegally has double meaning, as they have the opportunity not only to earn money, but also to have unearned income in the form of social welfare benefits.

Grabowska states that, Polish nationals who were working in Ireland before 1<sup>st</sup> of May 2004 worked in both: formal and informal economies. Often those who were employed in the informal economy put some pressure on their employers to be employed legally, in order to achieve freedom of movement between Poland and Ireland. The Immigrant Council of Ireland characterized condition in which

immigrants working illegally are employed, as a '3D' jobs: dirty, difficult and dangerous. Moreover, they are often typified by an absence of rights (O'Connell and McGinnity, 2008). Before EU enlargement the employers sometimes did not renew the migrant's work permit. This resulted in the migrant losing legal status, and becoming dependent on a dishonest employer (Kupiszewski and Mattila, 2008).

Most of the Polish migrants in Ireland are employed in earlier identified sectors associated with the black economy (Grabowska, 2007). Moreover, reviews of Polish internet forums seem to confirm, that listed above professions are popular among Polish citizens engaged in the black economy.

Construction in Ireland is generally recognized as being a sector that employs a large number of irregular migrants, with shadow employment practices, including 'bogus self-employment' arrangements. A study by Grabowska (2007) found, the number of Safe Passes issued to Polish nationals to be quite low by comparison with the number of Polish, who declared work in the construction sector. Therefore, she suggests, that many of them are undeclared. Moreover, in Poland there is also a high rate of unregistered workers in construction, with the difference, that in Ireland this sector is not as highly seasonal as in Poland. An example can be found in one of the Kropiwiec's interview conducted with Polish workers in Ireland:

"Because my uncle was already here, he helped me to find work; he arranged a job for me. When I came I had a job. But it was illegal, without taxes, for little money, €6 per hour, and without any social insurance. We lived at the construction site where we worked".

(Male, 28, construction worker), Kropiwiec, 2006: 31

Another sector, which is known to have an irregular capacity in Ireland, is horticulture, which includes, fruit picking, mushroom picking, vegetable and meat processing along with meat packing. This sector experienced an increased number of migrant workers after 1<sup>st</sup> May 2004. Before the intervention of the Irish trade union - Services, Industrial, Professional and Technical Union (SIPTU) - work in this sector was often associated with exploitive practices: low pay, long working hours and also unsafe working conditions (Kupiszewski and Matilla, 2008).

Due to the higher participation of Irish women in the labour market, needs arose for support with cleaning, child minding, care of the elderly and other domestic work. Therefore, Polish women in Ireland began to perform work traditionally associated with the women's role. Much of the care and domestic work takes place within private households; therefore this employment was not easily detected (Kupiszewski and Matilla, 2008).

Grabowska (2007) indicates that Polish workers are often not aware that they are employed in the hidden economy and they have difficulties with transferring to official employment. They do not know where to report the problems associated with their status, how to find legal employment and where to look for help. This is largely caused by their poor command of English and this lack of knowledge is often used by Irish employers to ignore their rights and make staff dependent on them.

#### 2.7. The need for further research

Information regarding Polish nationals employed in the unofficial economy either consciously or unconsciously is limited or comes mostly from informal statements from internet forums or incomprehensive analysis of the Polish labour force in Ireland. There is a gap in the knowledge about motives of Polish citizens to engage in the secondary labour market in Ireland, which is considerably different than that of Poland. Moreover, there could be possible change in those determinants depending on the length of stay in Ireland.

Irena Suchecka from Dublin's 'Emigrant Advice' office indicates that a number of workers take the first available job after their arrival to Ireland, even if they are overqualified. Often, they do not have a chance as the money they took from Poland has been insufficient to survive longer (Pawlowska, 2006). Nevertheless, the financial and social situation of those people changes over time, their familiarity with local employment markets and networks increase and the researcher supposes, reasons to take the unregistered employment also alter. Especially, as many of the 'target earners', who initially planned to return to Poland within a short time, decided to stay longer and changed their priorities.

Chapter 2 examined the theory of the black economy and shadow employment. Then, illegal employment in Poland and Ireland was studied. Finally, the issue of Polish workers in Ireland's black economy was investigated. The next chapter will provide information about the research methodology that has been chosen to conduct the research concerning the reasons for the engagement of Polish workers in the Irish black economy.

## Chapter Three Research Methodology

Ten Have (2004: 1) states that the "word 'research' refers to all kinds of knowledge production that involves the inspection of empirical evidence." He points out, that

"the 'social research' then, collects research endeavours that focus on 'the social', that is, phenomena that are related to people living together, whether these are conceptualized as structures, processes, perspectives, procedures, experiences or whatever."

Generally there are two main types of social research: quantitative (investigates the covariations within large data-sets), and qualitative (pertain to the nature of the phenomena) (Green and Browne, 2005, Ragin, 2004). In this dissertation the qualitative approach to research will be used, thus the next section will examine and develop that type of study.

### 3.1. The qualitative approach to social research

Qualitative research is a broad approach to the study of social phenomena (Marshall and Rosmann, 2009). The word qualitative implies an importance on the qualities entities and on processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity or frequency (Denzin and Lincoln, 2003). The main tasks of qualitative study are to collect the evidence; to produce findings, which were not predetermined, to produce findings, which are applicable beyond the immediate boundaries of the study; and finally to seek to understand the problem or topic from the perspectives of those concerned (Mack *et al.*, 2005). Therefore, the aim of qualitative research is to focus on how people interpret their social worlds and to investigate how they understand events and phenomena. Simultaneously, the researchers assume that there are different possible and legitimate understandings (Green and Browne, 2005). The emphasis on participants' experience and interpretation of the given issue, means that qualitative research provides information about the 'human' side of an issue that is often the contradictory behaviours, beliefs, opinions, emotions and relationships of the

individuals involved (Mack *et al.*, 2005). Therefore qualitative research is effective in exploring culture, society and behaviour through an analysis and synthesis of people's words and actions that are rich, nuanced and detailed data (Hogan *et al.* 2009, Mason, 2002).

Qualitative researchers may use a variety of methods to collect and analyse empirical materials. Denzin and Lincoln (2003) list the following: interviews (structured, unstructured and open-ended), observations, reading material culture and its records (interpretation of written text or cultural artifacts), reimaging visual methods (photography, motion pictures, the World Wide Web, interactive CDs and CDROMs, and virtual reality), autoethnography (researcher's experience of a subject by personal narratives, autobiography, etc.), focus groups (including elements of both interviews and observations).

## 3.2. Qualitative research on the study of Polish workers engaged in the black economy in Ireland

The purpose of this dissertation is to investigate the reasons of Polish workers who engage in the black economy and in particular in illegal employment in the Republic of Ireland. Therefore, the main research question of the dissertation is: "Why do Polish workers engage in shadow employment in Ireland?" Only a few studies have been conducted in order to generate information about Polish people living and working in Ireland. Most of them, for example studies by Grabowska (2003, 2005, 2007, 2010), Nolka and Nowosielski (2009) or Kropiwiec (2006), focused on the migrating decision reasons of Polish people, their work in Ireland and their quality of life. None however, have concentrated on the black economy and in particular shadow employment, among Polish workers living in Ireland. Therefore, the topic is relatively unexplored. As Green and Browne (2005) suggest, before events or phenomena can be counted and measured in quantitative study, first it has to be established what should be counted: what the relevant variables are and how they should be defined in order to inform the researchers about the concepts they are interested in. Consequently, measuring the engagement in the shadow economy of

Polish workers in quantitative study and thus transforming verbal symbols into numerical ones, should be preceded by qualitative research where, as Hogan *et al.* (2009) point out, 'data remains at the level of words'. Qualitative research provides the best opportunity to answer the research question beginning with the words 'why?' or 'what?'. Unlike the quantitative methods, which are preferred when answering the question related to 'quantities' and starting with the words 'when?', 'which?', 'how many?' or 'how much?' (Green and Browne, 2005). Furthermore, Silverman (2005) argues that qualitative methods can provide a 'deeper' understanding of social phenomena than would be obtained from purely quantitative data, because they study phenomenon and situations in details. Moreover, Hogan *et al.* (2009) suggest that counting is just one means by which human beings make sense of the world and the ability to count things does not make them more real, more precise or more accurate. Therefore, often action and strategy should be understood from the perspectives of the actors and thinkers.

"People act and think through language, the social symbols that are passed on and extended from one generation to the next, and so it is sometimes more appropriate, more realistic and precise, to explain social action in terms of verbal symbols."

(Hogan et al. 2009: 6)

Creswell (1998) suggests that there are five different traditional approaches to qualitative study: narrative research (biographical life history), phenomenology, grounded theory, ethnography, and case study. Each approach is characterized by distinct methodologies used to answer the research question and come from diverse disciplinary perspectives.

The researcher decided to adopt the phenomenological approach because of the cognitive values it offers. The next section will provide information about phenomenological approach, which will be used to present reasons for the engagement of Polish workers in Ireland's black economy.

### 3.3. Phenomenology

Phenomenology is a term covering styles of research that do not rely on measurement, statistics or other characteristics generally associated with the scientific method (Denscombe, 2010).

"Literally, phenomenology is the study of phenomena as they appear in human experience; particularly the experientially realized meanings that things have. The very term phenomenology itself is derived from the two Greek words phainomenon (appearance) and logos (reason or word). Accordingly, phenomenology is a reasoned inquiry; a method of scientific philosophy, which explores the essences of appearances, that is of anything of which human beings can become conscious."

A phenomenon is something that requires explanation; something of which people are aware but something that, as yet, remains known to them only in terms of how it appears directly through their senses (Denscombe, 2010).

Phenomenology places special emphasis on people's subjective experiences and individuals' interpretations of the world. That is, the phenomenologist wants to understand how the world appears to others (Trochim, 2006). Phenomenology is not primarily concerned with explaining the causes of things but tries, instead, to provide a description of how things are experienced at first hand by those involved. It aim to provide description of the content and structure of the subjects' consciousness and to grasp the qualitative diversity of their experiences (Denscombe, 2010, Kvale, 1996). In other words the phenomenological approach is concerned with

"understanding social phenomena from the actors' own perspectives, describing the world experienced by the subjects, and with the assumption that the important reality is what people perceive it to be" (Kvale, 1996: 52)

Denscombe (2010) points out that phenomenological research deals with people's perceptions and meanings, attitudes and beliefs and their feelings and emotions. Therefore, experiences should be presented as closely as possible to the way that those concerned understand them and in a way that is faithful to the original. Phenomenologists do not treat subjects' everyday thinking as less rational or inferior to the 'scientific' thinking of the social researcher. Contrary, they consider subjects' thinking as rational in its own terms of reference and give it credibility and respect. Simultaneously, descriptions should include aspects of the experience that might seem to be self-contradictory, irrational or even bizarre and the researcher should ensure that he/she adequately reports the complexity of the investigated situation (Denscombe, 2010).

From the perspective of phenomenological processes, people from the same group or community share perceptions of particular things. Therefore, the interpretation of stimuli into meaningful events is not completely unique to the individual (Berger and Luckmann, 2010). Hence, the researcher is able to interpret the subjects' experiences and understands them to some extent. At the same time however, different groups of people might see things differently. This approach in phenomenology is called 'multiple realities' and it assumes the possibility of existence of different conceptualizations of a situation or event (Zinkel, 1979). Phenomenology "rejects the notion that there is one universal reality and accepts, instead, that things can be seen in different ways by different people at different times in different circumstances, and that each alternative version needs to be recognized as being valid in its own right" (Denscombe, 2010: 97). The internalized conceptualization of the reality might differ from person to person, as it is interpreted subjectively in relation to their knowledge, skills, attitudes, and values, which influence the interpretation of the experience (Zinkel, 1979). However, as it was revealed, phenomenology does not assume that interpretation of the social world is a totally individual thing. These interpretations are shared between groups, societies and cultures, and it is only at these levels phenomenology recognizes the possibility of there being multiple realities (Denscombe, 2010).

To analyse data collected for the research purpose, the investigator selected the interpretative phenomenological analysis (IPA). The purpose of IPA is to explore in detail how subjects make sense of their personal and social world. The researcher must engage in an interpretative relationship with the content of the respondent's talk and the complexity of meanings of his statements. Moreover, the investigator should be aware, that the respondent's statements are part of his identity. The analysis of data involves a two- stage interpretation process, or a double hermeneutic (Smith and Osborn, 2008).

"The participants are trying to make sense of their world; the researcher is trying to make sense of the participants trying to make sense of their world."

(Smith and Osborn, 2008: 53)

### 3.4. Data collection

As was previously stressed, there are a number of methods of collecting and analysing data in a qualitative study. Denzin and Lincoln (2003) believe that interviewing, being the verbal interchange, is one of the most common and powerful ways in which a researcher can try to understand human beings.

Depending on the number of respondents, the interview can be classified into two groups: individual (one-to-one) interview and group interview, including the popular focus group, where participants are selected to meet sampling criteria (Green and Browne, 2005, Denscombe, 2010). In the individual interview, opinions and views are expressed from one source: the interviewee, which makes it easy to locate specific ideas with specific people (Denscombe, 2010). The advantage of the individual interview is the great amount of detailed information the subject can share (Morgan, 1997). In the group interview, the number of views, experiences and opinions available to the researcher are greater, than in the individual interview (Denscombe, 2010). "Group discussions provide direct evidence, about similarities and differences in the participants' opinions and experiences, as opposed to reaching such conclusions from post hoc analyses of separate statements from each interviewee" (Morgan, 1997: 10). However, it gives less depth and detail about the

opinions and experiences of each of the participants. From the researcher's point of view, during individual interviews it is easier to control the direction of the discussion (Morgan, 1997). Moreover, Morgan (1997) points out, that the presence of the group can affect what particular participants say and how they say it, especially if the topic is controversial. Some participants might exhibit a tendency to conformity, which means that they withhold things they might say in private. Whilst some, might exhibit a tendency to 'polarization', meaning that they express more extreme views in a group than in private. Robinson (1993) suggests that a one-on-one situation can make respondents nervous and inhibit candid discussion, while "safety in numbers" diffuses this anxiety. On the other hand, the risk is that the overall sense of responsibility and involvement may also be diffused among group members, resulting in less information and superficial responses (Robinson, 1993). A further view is that interaction of group participants stimulates talking and makes it easier for people to open up (Goldman and McDonald, 1993).

The interviews may also be classified on the degree of their structuring. According to this, interviews can be divided into three categories: structured, semi-structured, or unstructured. "Structured interview involves tight control over the format of the questions and answers" (Denscombe, 2010: 174). These types of interviews rely on asking all respondents the same series of predefined questions with a limited set of response categories (Denzin and Lincoln, 2003). Moreover, exactly the same questions are asked in the same order to each of the respondents. This type of interview produces standardized data amenable to statistical analysis and is used in quantitative research (Green and Browne, 2005). In qualitative work however, semistructured and unstructured interviews are more commonly used. Denscombe (2010) explains that when the researcher needs to gain insight into things such as people's opinions, feelings, emotions and experiences, then semi-structured or unstructured interviews will almost certainly provide a suitable method. The interviewer using semi-structured interview has a set of questions to cover and issues to be addressed, but they can be rephrased to suit the understanding and vocabulary of the respondent and can be probed for more information (Green and Browne, 2005). It gives the interviewer flexibility in terms of the order in which the topics are considered and also elaboration by interviewees on points of their interest (Denscombe, 2010). The respondent can introduce an issue the researcher had not thought of (Smith and Osborn, 2008). Therefore, questions in a semi-structured interview often remain open-ended. The third type of interview is unstructured interview, sometimes called in-depth interview or nonstandardized interview. In this type, the interviewer uses a topic guide, also called an agenda or *aide memoire*. However, the respondents' priorities influence the final range of questions covered, because the researcher spontaneously generates questions in response to the interviewees' narration (Green and Browne, 2005, Zhang and Wildemuth, 2006). The researcher's control over the conversation is intended to be minimal, but nevertheless the researcher will try to encourage the interviewees to relate experiences, thoughts, feelings and perspectives that are relevant, to the problems of interest to the researcher (Burgess, 2006).

Denscombe (2010) states, that allowing interviewees to speak their own words, develop their thoughts and move the discussion to areas that they regard as significant is an excellent way of discovering things about complex and subtle phenomena. Therefore, phenomenologists usually collect data using interviews because, as previously mentioned, a phenomenological approach encourages the provision of detailed description of experiences and advocates the need to do so with minimum reliance on the researcher's own beliefs, expectations, and predispositions about the phenomenon under investigation. Kvale (1996) believes that the qualitative interview is a research method that gives privileged access to people's basic experience of the lived world. Interviews can provide in-depth insights into people's thinking, experiences, reasoning, justification and their point of view. Interviews are valued in phenomenology also, because they allow the interviewees to raise issues that they consider as important and that matter to them. Moreover, interviews allow interviewees to describe the situation as they see it and to provide some justification and rationale from their point of view (Denscombe, 2010).

"Qualitative social researchers are interested in multiple social realities and they try to avoid assuming that their view of the world is the only valid and rational one."

(Green and Browne, 2005: 47)

Therefore, structured interviews, in which the order and number of questions are preestablished might not be sufficient to obtain the information which truly represents investigated issue and subjects' points of view (Green and Browne, 2005).

## 3.5. Phenomenology in the study of Polish workers engaged in shadow employment in Ireland

In order to answer the research question "Why do Polish workers engage in shadow employment in Ireland?" the researcher takes as the core of investigation, the reasoning for engagement in shadow employment that was given by the subjects – the Polish workers employed illegally in Ireland. Factors influencing decisions of Polish workers, in regard to their engagement in the shadow employment will be directly described and analysed according to the interpretative phenomenological approach. Due to the lack of social research, regarding the engagement of Polish immigrants in Ireland's black economy, phenomenology was chosen. The researcher then, selected semi-structured interview as a method of qualitative research. Due to the previously mentioned dearth of research, on the phenomenon in question, an adequate range of questions and possible responses could not be set by the researcher. Consequently, structured interview, as a method of collecting data was rejected by the researcher. One of the objectives of this dissertation was to keep consistency between arisen topics in all interviews. For that reason, the researcher made the decision to conduct semi-structured interviews, not unstructured ones. Respondents were asked similar open ended questions and were given a chance to express the important reasons, why they engage in the black economy, from their point of view and those reasons might be as much obvious as surprising to the researcher.

The nine individual interviews and one group interview were conducted in order to obtain detailed information about the reasons of each interviewed subject for their engagement in the black economy. The researcher has to maintain high ethics standard during study. Consequently, she has to guarantee confidentiality and anonymity to every one of the respondents. In the case of group interview, there is a risk that some of the group members might not respect the right to confidentiality of

other group members. It should be highlighted that illegal employment might be combined with social welfare fraud, which further heightens the researcher's concerns. Therefore, if respondents are suspicious about the motives of each other, this will not help to create trust and openness during the interview. Moreover, the investigator is not experienced in conducting group interviews and she assumes that her ability to carry on an interview on such a subtle topic and encourage subjects to open discussion could be limited. However, understanding the benefits of group interview, the respondents were advised, that other adult family members, close friends or flat mates were welcome to attend the interview. In result, one of the conducted interviews was group. Person, the researcher contacted with, invited three more people, who worked illegally in Ireland in the past, creating the same opportunity to group discussion. The researcher believes that presence of friends or family make people more comfortable, encourage subjects to openness, release discussion and ensure subject's truthfulness in the company of people whom he/she knows. Moreover, it helps to avoid anxiety as the environment would be natural to the subject. To increase the feeling of comfort, the interviews were mostly conducted in the familiar places - their houses, which is their 'private' space. The aim of this setting was to make subjects disclose less socially acceptable views and experiences.

People participating in the interview have been found through the 'snowball sampling' method, which is one of the non-random, purposive sampling methods (Hall and Hall, 1996). It is well suited to this dissertation, where it is almost impossible to identify beforehand all those who might fall into the category of interest, in the case of this dissertation- into the category of people working illegally. Through purposive sampling the researcher can chose a group of people to whom the research question will be significant (Smith and Osborn, 2008). As Denscombe (2010) suggests, people in small-scale research tend to be chosen deliberately, because they have some special contribution to make. Creating the sample happened with the assistance of one or two participants, who referred the researcher on to others who meet certain criteria. This given reference ensures the credibility of the researcher; therefore the concerns of potential subjects, regarding the motives of the researcher are limited. Moreover, the investigator decided to use also 'quota sampling', where respondents are chosen to meet some relevant characteristics (Hall and Hall, 1996). The economy of Galway is predominantly associated with the

manufacturing, tourism, retail and construction sectors (Údarás na Gaeltachta, 2011). The previous section highlighted that the construction sector, the tourist sector and in particular the hotel industry, are closely associated with the black economy. Therefore, the researcher did not have a difficulty finding potential respondents with experience in these sectors. However, the investigator made an effort to select respondents, who represented various sectors of the economy and not only the industries associated with Galway's economy. The researcher believes that thanks to adopting quota sampling the representativeness of the sample is not compromised.

To analyse gathered data the researcher chose the interpretative phenomenological analysis approach, because when touching on sensitive topics respondents might struggle to express what they are thinking and feeling. Smith and Osborn (2008) believe, that respondents may have a reason that they do not wish to self-disclose and the researcher has to interpret subjects' mental and emotional state, from what they say.

### 3.6. Limitations of the chosen methodology

There is no scientific research method, which is perfect. Every method has some disadvantages, including qualitative research, phenomenology and interviews. To present trustworthy research an investigator should be aware of the possible disadvantages of the chosen methods. In this section the limitations of qualitative research, phenomenological approach to qualitative research and interview as a method of gathering data, will be examined. Moreover, information about the methods of dealing with these limitations by the researcher will be provided.

### 3.6.1 Qualitative research

As Denzin and Lincoln (2003) notice, the empirical materials produced by qualitative methods are regarded by many quantitative researchers as unreliable, impressionistic, and subjective. Furthermore, Shipman (1997) believes that objectivity is a central concern to all researchers and when the study is about humans there is always a controversy. He points out, that bias can enter at any stage of the

research. Moreover, quantitative researchers criticize qualitative findings that rely too much on the researcher's views about what is significant and important. Another drawback are close relationships that the researcher frequently strikes up with the people studied (Bryman, 2004). In qualitative research, the researcher is the main instrument of data collection, so what is observed and heard and also what the investigator decides to concentrate on is the product of the researcher's predilection. Therefore, qualitative research and its findings are very difficult and almost impossible to replicate (Bryman, 2004). Moreover, those findings are not representative and cannot be generalized, mainly because qualitative studies are conducted with a small number of individuals, who, were not selected through a probability procedure. However, this kind of study is not meant to produce statistical generalized data for the whole population, but rather produce information to generalize theory (Bryman, 2004).

To deal with these limitations, respondents were asked a set of questions including those regarding their reasons for engagement in shadow employment. Respondents were given an opportunity to express what the reasons were from their point of view. This enabled the researcher to reduce the bias associated with assessing the subjects' reasons and what is important for the respondent from researcher perspective. Moreover, no respondents had relations to the researcher. All of them were recommended by the researcher's colleagues, this helped to keep high degree of trust and to simultaneously, avoid bias associated with close relationships between researcher and subject.

### 3.6.2 Phenomenological approach

The phenomenological approach is criticized for its' subjectivity and also for its descriptiveness. This contrasts with the scientific emphasis on objectivity, analysis and measurement. Those who are not sympathetic to phenomenology state, that it does nothing but provide a description. However, phenomenologists consider these characteristics as strengths, not as weaknesses that are part of the nature of this type of research approach (Denscombe, 2010).

Denscombe (2010) notices, that another drawback of the phenomenological approach is 'feasibility of suspending common sense':

"In principle, suspending presuppositions about the way things work might seem a reasonable way of trying to get a clearer view of them. However, it is doubtful indeed if it is ever possible to rid ourselves entirely of such presuppositions. Socialization and the use of language make it impossible. What can be done, though, is to be reflective and self-conscious about the way perceptions are shaped by things like common sense and then to try to moderate their impact."

(Denscombe, 2010: 104)

The researcher tried to reduce possible drawbacks by interpreting her findings only from the point of view of the literature reviewed in the second and third chapter of the dissertation. Being aware of possible bias associated with suspending common sense, the researcher asked additional questions when necessary, to ensure, that the understanding is correct and represents only the respondent's believes and experiences. Moreover, the IPA was adopted to ensure that the research does not provide only pure description, but has an added value of interpreting people's statements.

#### 3.6.3 Interviews

The problem with interviews is mainly associated with the interviewer and is called in literature 'the interviewer effect'. It is based on the influence of a particular interviewer's behaviour and characteristics on an interviewee's answers and performance, especially in so far as it distorts these. Wilamowsky (1979), Johannes et al. (1997) and Aly Amin (2009) list the characteristics, which might affect the responses of subjects: gender, age, race, ethnic origins, education, social status, occupation and background. Those personal attributes cannot be changed for practical purposes. In some questions, especially on subtle topics, people might feel embarrassed to answer. Then, there is the possibility that respondents will provide an

answer, which they feel fits in with what the researcher expects from them, equates with the perceived expectations of the researcher. Or the answers might be tailored to match what the respondent suspects is the researcher's point of view, this in consequence, affects the outcome of the study (Denscombe, 2010).

Another possible problem is associated with the snowball sample, which can be biased if interviewees come from one environment, one community or the same workplace and have similar approaches to a risen issue. However, simultaneously, in the case of Polish immigrants, each of them has a different background: come from diverse places in Poland, were raised in different families and worked in different places before they migrated to Ireland. All of this influenced their life and their perception of various things. Therefore, the researcher assumed, that even if a number of subjects come from one environment, one community or the same workplace in Ireland, they are in Ireland a relatively short time. This ensures that their opinion, experience and perception of things remain differentiated enough. Moreover, although the interviews were conducted in County Galway, respondents had experience in the shadow economy in other places in Ireland. The researcher however, believes that the reasons for engagement in illegal work do not depend as much on the place of living or working as on the situation the person found herself/himself.

The researcher dealt with the limitations associated with the interviews in the following manner. To minimizing the impact of the researcher on the outcome of the study, a passive and neutral stance was adopted. Statements made during the interview remained neutral and non-committal. All interviewees were assured that the researcher was planning to describe in her dissertation various situations. Therefore, correct or incorrect answers do not exist. They are all valued from the scientific point of view. Moreover, the researcher does not have any expectations about the content of the answers as long as they truly reflect respondent's beliefs and experiences.

### 3.7. Interviews: organisation and data collection

Ten interviews were conducted in August 2011 with Polish immigrants in Ireland in order to obtain information about the reasons for their engagement in the black economy. Nine of the interviews were individual, while one was a group interview with four participants. During one of the individual interview, wife of the respondent was present and her input was associated with encouraging discussion. All of the interviews were carried out in the Polish language and in the houses of the respondents.

All discussions started with an explanation that the 'study is about working in Ireland; however, some of the issues raised might be controversial. Respondents were informed that questions will be opened, so they can say whatever they consider important; and also whatever they think is less important but which still matters to them. Their point of view on issues raised is crucial. That way the researcher made respondents feel that their opinion is important and valued. All of the respondents were assured about confidentiality and informed that all their statements will be marked with a short description containing their gender and age. Respondents were asked for permission to record the conversation. Moreover, all of them were told, that they can have access to the thesis when it is completed. All of these statements were made to give subjects maximum confidence about the motives of the researcher.

There were five main open ended questions, called also themes. In a situation where the initial question was insufficient to elicit a satisfactory response, additional questions were added, to encourage further probing the topic. This occurred mainly because the topics of migration and engagement in the shadow employment are complex and individual. Different respondents therefore, needed different sets of questions in one theme.

Each conversation started with a question concerning reasons for migration to Ireland. That is the first theme of investigation. This general question was designed to make respondents relax, as they were discussing things they had definitely previously described. The second theme concerns the occupations which were performed in Ireland during the respondents' stay and the accordance of these

occupations to the respondents' education and skills. In the third theme, the issue of shadow employment was introduced to the subjects and they were asked to describe their experience in the hidden employment in Ireland. A set of additional questions were asked to obtain information about working conditions, pay rates, responsibilities at work and length of employment. The fourth theme considers the advantages and disadvantages of illegal employment and the opinion of the respondents, in regard to the perception of illegal employment by others. The fifth and final theme is directly concerned with the reasons of engagement in shadow employment.

9 out of 10 interviews were recorded. One respondent did not agree to recording, as he feared future identification. In that case, crucial sentences were writing down during the interview, and notes describing respondent's situation and his behaviour were taken shortly after interview. The recorded interviews were transcribed, so that repeated reading insured that important nuances, which were not initially recognised, were not missed.

The respondents spoke in everyday language, therefore the script, is not free of grammar mistakes and unfinished sentences. The translation of the respondents' statements from Polish language to English language was difficult task. However, in the following chapter, the researcher attempts to present quotations in their original form, as they were expressed by the respondents, including the respondents' errors in speech.

The below Table 3.1 introduce general information about the interviewed respondents. In Table 3.1, as well as in Chapter 4, the names of the respondents are changed for the purpose of maintaining their anonymity, which is in accordance with high ethics standards.

**Table 3.1 Respondents' characteristics** 

NAME	GENDER	AGE	EDUCATION	YEAR OF ARRIVAL AND TIME OF STAY	SECTOR AND PLACE OF PERFORMING THE ILLEGAL WORK
Aoife	Female	32	Secondary school without leaving certificate completed in Poland	2006: 7 weeks 2006: 3 months 2007: 3 weeks 2007- present	Catering (kitchen porter) Dublin Domestic work (cleaning private houses) Dublin Retail (cashier) Galway City
Ciara	Female	29	Secondary school with leaving certificate completed in Poland; Cosmetology and Massage courses completed in Ireland	2006- present	Health & Beauty (masseuse, beautician) Galway City
Brian	Male	27	Secondary school with leaving certificate; occupation waiter	2005: 4 months 2006- present	Hotel (kitchen porter) Construction (renovation in private houses) Co. Galway
Cormack	Male	36	Vocational school; occupation carpenter	2004- present	Construction (stonecutter, houses renovation) Co. Galway
Kieran	Male	21	Primary school completed in Poland; 2 years of secondary school in Ireland	2004- present	Construction (renovation in private houses, making fences,) (Co. Galway), Hotel & Catering (kitchen porter) Motor: (mechanic) Galway City
Niamh	Female	30	Secondary school without leaving certificate	2006- present	Health & Beauty (manicurist), Domestic work (cleaning) Galway City
Sinead	Female	45	Secondary school; occupation nurse	2007-present	Domestic (child minding, cleaning in private houses) Galway City
Eamon	Male	57	Vocational school	2004- present	Farming (help in the farm) Co. Galway
Liam (refused recording)	Male	25	Vocational school; occupation bricklayer	2007- present	Fishing (fisherman) Ireland
Fionn	Male	47	Secondary school	2005- present	Construction: renovation in private houses Ireland
Enda	Male	29	Secondary school	2004- present	Warehouse employee Galway City
Maeve	Female	24	Secondary school with leaving certificate	2006- present	Hotel and catering (cleaning) Co. Galway
Claire	Female	35	Secondary school with leaving certificate; occupation tailor	2005- present	Clothing (tailor)

## Chapter Four Findings

Chapter 3 explored and defended the chosen research methodology, which was used to study the reasons why Polish workers engage in the black economy in Ireland. Chapter 4 will provide the findings of this investigation, which will be divided in to five headings that reflect the themes discussed during interviews. Respondents' narration is analysed from the point of view of the literature that was reviewed in the first two chapters.

#### 4.1. Migrating decisions

Interviewees were initially questioned about their reasons for migration. The answers given increased the knowledge about the situation of respondents shortly before and shortly migration.

EU enlargement had a huge impact on all respondents and their families' lives. After 1<sup>st</sup> of May 2004 they could freely move to Ireland. All of the interviewees migrated to Ireland between 2004 and 2007. Some of them were living in Ireland initially for a few weeks or months, and then they returned to Poland, to finally come back to Ireland.

One respondent when questioned, on why she decided to migrate to Ireland, answered:

"I first came to Ireland, because I wanted to; because everyone was leaving; because it was a chance to earn some money and to see something new, to see how it really is to live somewhere else. I was bored with always seeing the same faces of customers at work. I needed to change something in my life."

(Aoife, 32 years old)

Another respondent cited her reason as follows:

"I wanted to achieve an aim. I wanted to quickly gain money for starting life, for buying house, especially as I planned to start family at that time. I thought that here [Ireland] would be easier; but also [I left] because I was curious. I thought that I'm still young enough to try a different life in a different place and learn some English." (Ciara, 29 years old)

When examining these statements, using the approach initiated by Ravenstein (1885), one can notice that the 'pull' factors from abroad seem to be more important to these respondents, than the 'push' factors. The push factors were very significant in Brian's initial decision to migrate. Originally, he was unemployed before migrating; and his decision was influenced by purely economic reasons. However, there is also evidence of pull factors in his situation:

"I didn't have work and I couldn't find any. (...) I had to pay for college. My parents didn't want to pay for it. They said I should go to work and earn [money] myself; but I really couldn't find any [work]. My brother, who lived in Ireland for the last 5 years, said that I could come to him, because there was plenty of work there. I had to borrow money for the ticket. I packed my bags and two weeks later I was here [in Ireland]."

(Brian, 27 years old)

Exploring the situation of the interviewees before their arrival, only Brian was unemployed before he migrated. Three of the respondents: Kieran, Enda and Meave migrated after or during their education. While another nine people left their jobs, to take the opportunity that was given by the EU enlargement, to improve their lives. This confirms the research by Nolka and Nowosielski's (2009), which demonstrated that a very low per cent of respondents of their survey had been jobless before they moved to Ireland.

Sinead came to Ireland after the death of her husband. Her daughter was already living in Galway; therefore she decided to be closer to her daughter during that difficult time. Niamh said that she did not have any intention and willingness to migrate. However, her boyfriend was already in Ireland and wanted to remain there, so she left her job and joined him. She states, that the sole reason for migration was the desire to be close to her boyfriend. Liam came to Ireland, because he had huge loans in Poland and therefore, he was escaping from the law. He decided to migrate the day he received a summons to appear in court. He never applied for a PPS number, he did not open a bank account and all bills are registered in his girlfriend's name. He does not want anybody living in Poland to know his whereabouts. He never returned to his homeland, as he is afraid he will be recognised by airport control. Kieran came to Ireland in 2004 at the age of 14. He did not have an influence

on his parents migrating decision. He presently works and plans to stay in Ireland. Kieran, Liam, Sinead and Niamh do not match with any category given by Kropiwiec (2006) of Polish people in Ireland. They enjoy freedom of movement within the EU, but they cannot be called global cosmopolitans. Their reasons to leave Poland were not clearly associated with earning money either, so they were not target earners.

About her beginnings in Ireland Aoife remarked, that:

"I first came to Ireland in June 2006. (...) I came to my friend, who arranged work for me. (...) The second time, I came to Ireland with 50 euro in my pocket. I stayed with my cousin, who said: there you have a room, when you find a job, then you will return [money for rent] and for now manage yourself. He showed me where to apply for a PPS [number]."

(Aoife, 32 years old)

Cormack described his beginnings in Ireland as follow:

"My friend gave me the number of a Polish guy, who worked here [in Ireland], who came here before us. I rang him and I came [to Ireland] three days later. I had only three days to prepare. I left my job and I came here. We lived together; he helped me to register and do a Safe Pass [course]. We lived in a house. There were seven of us. Later he brought more people [from Poland]. There were about thirty of us then." (Cormack, 36 years old)

Twelve out of the thirteen interviewees enjoyed the advantages of chain migration and came with the help of friends or members of their family. Only Enda, who migrated in 2004, did not know any residents prior to his arrival in Ireland. He took the risk associated with it and established new chain migration. His first day he describes as follow:

"We arrived [Enda and his friend]. It was raining- exactly as we read on the internet. We didn't have any accommodation, so one of us stood with the luggage and the second went for the newspaper; we made an appointment to see the room. We asked some girl for directions and she said: 'if you take a taxi it will cost you only 5 euro.' Only! At that time it was 'as much'. So again one of us stood with

luggage and second [of us] went [on foot] to see the room. (...) We brought lots of our friends [from Poland to Ireland]. All of them [he points to other participants of the group interview] are here thanks to me."

(Enda, 29 years old)

This respondents' profile does not correspond fully with the profile of a typical migrant of self-selection hypothesis or with the profile of Polish migrants in Ireland presented in Chapter 1. The self-selection hypothesis states that the migrating decision is more likely made by young, well-educated people without dependants. The age of the respondents is with accord to the hypothesis. Only three of the respondents were over 30 years old, when they migrated. Furthermore, four of the respondents had children dependent on them, but the majority of the respondents did not have any responsibilities. However, seven out of thirteen respondents have completed secondary school and the rest of them have a lower level of school completed. Moreover, all of the respondents concede that their level of English at the time of arrival was very low; in some cases it was non-existent. Therefore, the self-selection hypothesis's educational characteristics do not correspond with the research sample.

### 4.2. The prior skills and education level of Polish migrants in the Irish labour market

The second theme explored with the interviewees was the level of educational attainment and skills that they obtained in Poland and its accordance with the occupation that respondents performed in Ireland. It is noticeable, that during their relatively short stay in Ireland, Polish nationals performed various work, often in various industries. Kieran, in response to the question about the jobs he undertook in Ireland, replied:

"I was working as a sale assistant, kitchen porter and in security. I was killing crabs for one French guy, I was painting for a Polish guy, doing fences for an Irish one, fixing cars, renovating house for the Irish and now I'm putting carpets in houses and companies."

(Kieran, 21 years old)

A female, who has lived in Ireland for the last four years said:

"When I came here first, I was minding children. (...) After a few weeks [since arrival], I got a job in a nursing home and I still work there. But from time to time, I'm cleaning in some houses."

(Sinead, 45 years old)

The above examples concur with AIB (2006) and Grabowska-Lusinska (2007) findings, which indicate, that Polish immigrants undertake low skilled jobs. However, Barret's *et al.* (2006) statement that immigrants in Ireland are not employed in occupations that fully reflect their educational attainment, does not accurately portray the situation of these respondents. While all of the respondents perform low qualified jobs, they all have only a secondary school education exclusively.

It is noteworthy, that most of the male respondents worked in Ireland in the construction sector for a certain time. Additionally, respondents repeatedly answered that they worked in Ireland as a kitchen porter, cleaner and sales assistant. This again corresponds with the AIB (2006) and Grabowska-Lusinska (2007) studies that outline the jobs, which are most commonly performed by Polish immigrants. However, having gained familiarity with the Irish market, three of the respondents decided to start their own businesses. This therefore made them independent. It is worth mentioning that those respondents state, they would have started their business earlier, if information about Government support for small businesses, was more accessible to them.

The next important issue, concerning respondents' capability to work in Ireland, is their command of English. All of the interviewees admit that their level of English on arrival in Ireland was low. In some cases it did not exist. One of the interviewees said:

"When I was going to Ireland for the first time I couldn't speak English. I could understand few words and phrases [learnt] from American movies. But English in Ireland has a completely different accent so I found it difficult to understand."

(Brian, 27 years old)

Niamh, initially worked in Ireland in cleaning, then in retail, catering, health and beauty and also ran her own shop, declared that:

"I couldn't find a job for the first five months. I found it, when I learnt some English, I started to talk [in English] and I stopped being shy. I had to break down the language barrier first. (...) It was hard to me to acclimatize, because I could speak German and I got use to the German language and it was hard to me to get use to English. I was embarrassed, that I spoke incorrectly."

(Niamh, 31 years old)

The above comments correspond with the statement of Grabowska-Lusinska (2007) that Polish immigrants to Ireland are characterised by a poor command of English.

One of the respondents stated that in his opinion there is lack of Government financed English courses for immigrants in Ireland.

### 4.3. Hidden employment of Polish nationals in Ireland

The third theme pertains to the shadow employment of Polish workers in Ireland. The respondents were asked about issues such as, how the worker obtained the job, about working conditions, pay rates, responsibilities at work and the length of employment. On the each issue respondents gave a variety of replies that were often contradictory.

Initially interviewees commented on the process by which they way got illegal work. Almost all responses were similar. Commonly, respondents obtained illegal employment, thanks to their friends. Sometimes they were recommended by friends to the employer and sometimes they received phone number of a potential employer from their friends. Furthermore people, who were self-employed in the secondary market, had an increasing number of customers, mainly thanks to 'word of mouth'. Only in two cases was employment obtained in a different way. Kieran entered into illegal work thanks to a local newspaper whilst Enda thanks was introduced to shadow employment through a work agency.

The second topic concerning working conditions generated the following responses:

"First I was working there for a few months and then [after few months break] for one or two months only, because he stopped paying me. (...) He [employer] was shouting: 'faster, faster' all the time. He made us carry heavy things. For example, through fields we had to carry two big plywoods, instead of one. He didn't give us money on time. And sometimes when he was going on his lunch, we had to wait for him for two or three hours in the field. When we were about 50 km from the city he sometimes said: 'go home if you don't like it'. And he was almost never on time to pick us up for work. Sometimes he didn't come at all and he didn't even phone us [to say, he won't come]. In my present job, I recently worked 24 hours without sleep. We were putting new carpets in one company. Finally at the end of the 'shift' blood started to flow from my nose. We had to finish the job before people [employees of the company] came to work."

(Kieran, 21 years old)

Kieran's narrative is in concord with Brian's experience of illegal work in the construction sector:

"The employer- the owner of the house worked with us. He kept an eye on us all the time. When we did some dangerous, unhealthy things, he cared only about himself. For example, when we put fiberglass wool blanket on the floor, he used mask on his mouth, while we worked without it. There are very small pieces of the glass there, so we inhaled them."

(Brian, 27 years old)

These two cases are examples of the '3D' (dirty, dangerous and difficult) jobs identified by O'Connell and McGinnity that are often performed by immigrants. Moreover, as O'Connell and McGinnity indicated, those jobs are often typified by the absence of employees' rights. However, there are discrepancies, between the above two comments and Aoife experience in her cleaning job:

"I; straight from Poland; with low self-esteem; after my entire ordeal; from the both sides [both families the respondent was cleaning for] I've got such ....kindness, warmth.(...) and this was very nice. In general I was delighted. I was welcomed

similarly in my first [illegal] job. With very basic English someone gave me a chance."

(Aoife, 32 years old)

The same female described the reasons, why she left cleaning work:

"Two days before Christmas, their [house owners'] children came for dinner with their partners. I was cleaning the kitchen and the door to the dining room was open. And then someone got up and shut the door. I felt so degraded and humiliated then. They were still very nice. Maybe they did it so loudly by accident. But I promised myself, that this is the last time I would clean someone's house."

(Aoife, 32 years old)

Aoife's attitude conflicts with the belief of O'Connell and McGinnity (2008), that Polish immigrants do not report the frustration that they encounter, when performing low-skilled jobs.

In regard to treatment at work and pay conditions Niamh, who worked as a cleaner for a number of years, said:

"After two or maybe three years with the same families that I was cleaning for, besides getting thirty euro for three hours work, I got for example fifty euro as a present for Christmas or Easter...such a gift. It was first of all nice, secondly-someone treated me with respect, thirdly-someone really wanted to teach me English, so spoke to me in a way I could understand, at the same time paying me and making breakfast for me."

(Niamh, 30 years old)

In general, female respondents, who worked in cleaning, were satisfied with their hourly rate, which is above the minimum hourly rate determined by Government. However, not all respondents are content with their earnings from illegal employment. Kieran explained his dissatisfaction in the following way:

"When I worked in the garage, I earned 250 euro for six days work, between 9 and 5 or 6 o'clock. I worked there three months. Work was fine, sometimes we didn't have much to do, but they paid poorly, so I found another [illegal] job. I didn't get any benefit at that time so I had to manage somehow."

(Kieran, 21 years old)

Aoife, does not express discontent, despite the fact that in one job, her earnings were below the national minimum wage. Being a cashier in a small shop, she earned about 6.50 euro per hour. Additionally, she could not leave the shop for a break. However, she was satisfied with this job and pleased with the trust that the employer bestowed on her. After her first 3 hours in work, the employer gave her the key to the shop and asked her to open the shop the next morning. Aoife highlights, that the employer did not know her address, or even her surname when giving her the keys.

Eamon found himself in a very unusual situation:

"After I lost [legal] job in the building site, I was recommended by my friend to one farmer, who was looking for some workers. It was about three years ago. I get there 50 to 80 euro per week, but they also give me accommodation and food. I'm happy with it. I like my job, it is not hard. If I got more money, instead of food and accommodation, I would probably spend most of it on drinking [alcohol]."

(Eamon, 57 years old)

Fisherman Liam's situation also differs significantly, from the rest of the respondents:

"Boss picks us up from a fixed place at a fixed time. He takes us to some harbor. Then we go in a fishing boat, out to sea for two, sometimes three weeks. We never know where we are going and when exactly we will come back. Then we have one or two weeks break and go out to sea again. We get 3,000 euro per month. The worst thing is that if something happen to us, nobody knows where we are."

(Liam, 25 years old)

Ciara, Niamh and Claire, who offer a range of services from clothing to the health & beauty industry, seem to be satisfied with the earnings they get. They determine the prices of their services themselves. These interviewees perform the services in their houses and do not incur any financial costs; therefore the prices they offer are lower

than the market prices. Moreover, these jobs are additional work to their full time registered employment. Therefore they create their own opportunities to earn extra money.

The sample is too small to credibly assess the percentage of respondents satisfied and dissatisfied with their pay and working conditions and relations with their employer. However, the researcher observes a similarity between interviewees' responses and Turner's *et al.* (2009) study. This conducted research is concerned with Polish workers in the shadow economy and the research of Turner *et al.* (2009) is concerned with registered employment. Despite that, the satisfaction level is relatively high in both studies.

# 4.4. Advantages and disadvantages of shadow employment

The fourth theme discussed focuses on, what the respondents perceived to be the benefits and drawbacks of the shadow employment. The most commonly listed advantage was the opportunity to earn extra untaxed money. However, a few respondents stated that before 2011, tax was relatively low, therefore was not a reason to engage in the black economy. Kieran compared the earnings in legal and illegal employment:

"People get more money from illegal work. It depends on what you are doing, but you will usually get more from an illegal job."

(Kieran, 21, years old)

Fionn, who works in the construction industry both legally and illegally, confirms Kieran's belief. He said that, he is more pleased with the earnings from his shadow employment, than those from his official one. He states that pay from registered work is very often below the market rates, because so many immigrants agree to this. Consequently, employers do not offer higher rates. Workers therefore, prefer to take the opportunity to work for more money in the secondary sector of the economy, where earnings are better. Fionn's comment confirmed the presumption on of Turner

et al. (2009), that Polish workers may raise their expectations, regarding pay and working conditions within time.

The second benefit of illegal work is flexibility and informal relations with the employer. Aoife points out:

"Unregistered work is fine, but only for a short period, because then both the employer and employee do not feel obliged to anything. Though once, when I got the job in the shop, I didn't tell my employer that I was going to stay in Ireland for only two weeks. When I was leaving, I had to lie that I had to unexpectedly return to Poland. I was full of terrible remorse. It was hard for me, because I hate lying, but I wouldn't have gotten that job if I told him at the beginning I was going to stay only for two weeks [in Ireland]. He was so good to me; he said he could give me some money in advance for a ticket. (...) I recommended another girl for my place."

(Aoife, 32 years old)

Respondents, who considered self-employment state, that unregistered work in the sector that they would like to start up their business in, gives them good market recognition and familiarity with customers needs before they take a risk. Moreover, it

helps them to develop their skills and build a customer base:

"I had so much work, that I just had to finally rent the premises and register the company. I had no space anymore at home for the equipment and I was tired with strangers coming to my house."

(Claire, 35 years old)

Cormack's decision was influenced by similar factors:

"While, I have got a 'big' job for another three years, I could register my business." (Cormack, 36 years old)

Meanwhile, Ciara stayed in the black economy, performing her work as a masseuse and beautician from home:

"I considered registering the business, but since the recession became a well-known topic, everything changed. I gave up the idea, especially as I noticed myself that I have fewer customers now."

(Ciara, 29 years old)

Another advantage of engagement in the black economy, expressed by some of the respondents, is the possibility of receiving Social Welfare payments. However, only one respondent declared, this was a significant stimulus for him to engage in shadow employment. This only partially confirms Fielding (2011) concerns that the attractiveness of Ireland's Social Welfare system is significantly contributing to the ongoing problem.

The investigation recognised two main disadvantages, which are also noticed by the respondents. The first is the lack of employee protection. Ciara stated that in the case of an accident at work, the employee does not have a right to compensation. Moreover, the employer is not held responsible for it. Aoife noticed that the benefit of flexibility was simultaneously a drawback. The lack of obligation between employees and employer, leads to limited workers rights and to possibility of unfair dismissal. The comments of Ciara and Aoife concur with Pater's (2007) observation. He noticed that very often working conditions in the secondary labour market do not meet legal requirements and the rights of employees are affected. Furthermore, this lack of protection was listed by almost all of the respondents, especially in regard to future pension. This again, agrees with Pater's (2007) research, but disagrees with the study of Gacki (2008). He indicated that social protection or the level of future retirement payment is less significant for Polish nationals, because it is delayed in time. Respondents regret, that they do not have such protection.

The second important disadvantage is associated with the fear of detection, which is evident in Kieran's statement:

"If they caught me, they would take away my benefits."
(Kieran, 21 years old)

Cormack also notices drawbacks, of illegal employment, in the form of psychological costs:

"The downside of that work was that I worked in terrible fear. When I worked beside the road I risked that...they would come [control]. I was stressed when I worked illegally."

(Cormack, 36 years old)

Niamh pointed out, that illegal work probably incurs more costs that she is conscious of:

"Maybe there is some other risk that I'm not aware of. Maybe, I do not know what I lose."

(Niamh, 30 years old)

Niamh's remark corresponds with Grabowska (2007), who states that Polish workers employed in the hidden economy do not know where to look for help and information. Grabowska (2007) adds that this may be associated with the immigrants' low command of English.

# 4.5. Reasons for the engagement of Polish immigrant workers in the black economy in Ireland

The final theme that the interviews explored was from the point of view of research question, the most significant. Respondents were asked to explain their reasons for involvement in the black economy in Ireland. First statements from respondents, who expressed a relatively strong inclination toward illegal work, will be presented. Liam, who is escaping from the justice stated:

"My situation is clear: I don't want be registered in Poland, here [in Ireland] or anywhere else. I don't want my name to be present in any documents. It's too big risk."

(Liam, 25 years old)

Kieran explaining his motives, said:

"I looked for a legal job. I sent a number of CV to factories, I asked in FAS and I still couldn't find a job. When I had a chance to earn some money [in illegal work]- I took it. (...)I didn't get any benefit at that time so I had to manage somehow. (...) [Presently] I would go to the legal job only if they paid me well. Now I get 500 euro benefits a week. I will not go to work for less. I will not get more money from work than from the State!"

(Kieran, 21 years old)

Aoife considered illegal work to be suitable only for a short time:

"I came [to Ireland] only for six or seven weeks for summer. I wanted to earn some money. (...) My friend fixed up that job for me. I thought that without good English I could not count for a legal permanent job and I didn't mind, because I came only for short time. If I tell him [the employer] that I'm staying for longer, he might give me a contract. But for that time informal work was sufficient to me. (...) The second time I was in Ireland, I looked for legal job, but meanwhile I had to earn money for rent and food. (...) My cousin fixed up that work for me. I left it after two weeks, when I got a legal job in the factory. (...) My third illegal work was actually my whim. I had [official] work in the factory. I wanted to earn some extra money before my holiday, because I was going to Poland for Christmas. Cleaning was the easiest way to do this. (...) [About fourth illegal job:] I was in Ireland for only three weeks, so it wasn't worth applying for a legal job. Nobody would register me for such a short time. (...) To me it is important to have legal work!"

(Aoife, 32 years old)

Aoife attitude to illegal work corresponds with Brian's reasoning:

"[Being in Ireland for the first time:] He (my friend) let me know that staff was needed in the hotel he worked in. I didn't know that I worked illegally, and actually I didn't care. (...) The most important thing to me was that I was getting money. So I was happy and satisfied with it. [Being in Ireland for the second time:] I found a job one month after I arrived [to Ireland]. It was a legal job; I still work there after almost five years. But when I didn't have a job at the beginning, my flat mates told me I could go with them to do some renovation work in one house. (...) Again I didn't care that it was an illegal job. I was happy I got money. (...) I prefer to work legally, but if I was in the situation again and I could not get a job, I would take even an illegal one. But if they offer me lets say 50 euro weekly more for an illegal job than for a legal one, I wouldn't take it. It wouldn't make sense to me."

(Brian, 27 years old)

Ciara's motives for engagement in the shadow employment are completely different than the respondents' cited above:

"It began during the [beautician and masseuse] course. They [friends] were coming when they found out that I did this course. Our teacher advised us, that we should take money for our work from the very beginning. And then the 'mini- business' started. I thought about registering the company, but I work so much in my full time job, I wouldn't have the time and energy to run the business. And I do not have a sufficient number of customers to leave my full time work. It is my extra income, but first and foremost it lets me practice."

(Ciara, 29 years old)

Similarly to Ciara, the main determinant for Niamh to engage in the black economy was the opportunity to practice:

"In Ireland doing art gel nails wasn't very popular. One girl did it for me and I didn't like it. I knew that I cannot count on this, that someone would do them for me well. I decided then, I would learn how to do this myself. I bought all the equipment and I went to course in Poland. My friends were coming to me and they recommended me to other girls. (...) I didn't do this for money, it wasn't my initial intention, but I was happy when I started to earn from it. I do this mainly for my own satisfaction."

(Niamh, 30 years old)

Niamh resigned from her illegal cleaning job to make more time for her work as a manicurist. Therefore, she was also questioned, about her reasons for entering into the secondary labour market. Her answer did not differ significantly from the responses of Aoife and Brian. Niamh stated that when she came to Ireland, she could not find a legal job. Friends arranged cleaning work for her. For the first five months of her stay in Ireland it was her only income. Her relations with her employers were good; therefore, she remained in cleaning work after she had also obtained legal employment. Her motivation for this was the opportunity to occasionally earn some extra money.

Fionn states that he was in part motivated to enter into shadow employment, because of the opportunity it gave him, to use his own skills thet were appreciated and were often unique in Ireland. Additionally, he highlights that tax and consequently the level of his income also influenced his decision:

"I could work on Saturday in construction, but then I would exceed the tax threshold, so lets say instead of getting 120 euro, I would get 70. Thus, most of us preferred renovating private houses then and got 100-120 [euros] in cash. What's more, the work in the construction site was boring. Everyday we were doing the same, standard jobs. In peoples' houses we could show our skills. In Ireland every house inside looked the same. We changed their routine. We showed Irish people new solutions; new ways things can be done. We did it the way we had learnt in Poland and they liked it. They asked us for advice. Sometimes they said for example: 'I saw in my neighbour's house a nice ceiling. A Polish guy did it for him. Do something similar for me'."

(Fionn, 47 years old)

Cormack also previously renovated houses illegally. Currently he has a registered business and also appreciates the opportunity to show customers his skills:

"They like, when I do a job in my own way. They say: 'do it however you think is right'. And they are all delighted [with results]. And now they recommend me to other people."

(Cormack, 36 years old)

However, he also had the same opportunity in his registered work. Why therefore, did he enter into the black market? He stated that, when he became unemployed, he could not find alternative work. He declared also that he is a person who can not imagine life minus work and hates to do nothing. He loves to work and he loves his profession. However, the only work he could get, were small renovation jobs in the village that he lives in. Cormack was afraid he would loose his benefits, if he reports his earnings. Simultaneously, his work was only for a short term and he was not sure when he would next get more jobs. Cormack's wife concluded that if they knew earlier about the Back to Work Enterprise Allowance, her husband would not have engaged in shadow employment. The Back to Work Enterprise Allowance makes possibility for self-employed people, to keep a percentage of their social welfare

payment. However, Cormack and his wife were never informed by the Social Welfare about this scheme. Moreover, they highlight that when reporting additional income to the Social Welfare, one can lose their benefits immediately and to regain them would cost a lot of time and paper work.

Another respondent explained that the effects of the recession stimulated her engagement in illegal work:

"I think nobody wants to work illegally. I have fewer hours in my regular work than before. I had to start cleaning houses to earn some extra money. If they give me more hours in my [regular] work, I wouldn't have to do this."

(Sinead, 45 years old)

Moreover she admitted that cleaning or child minding is commonly accepted by people as an unofficial category of work, so she did not feel pressure to report it. Sinead's daughter Maeve stated that she was motivated to enter into the black economy, by the chance to earn additional income to her regular job. She also believes, that she has no reason to feel any remorse because of it and the the only person, who should regret is the employer, who do not register the workers and therefore cheated the state.

The above reasons, given by respondents differ in some ways from the reasons for engagement in the black economy that were identified by Weston and O'Hora (2008) and Pater (2008). The reasons listed in Poland regarded social insurance contributions to be important, while respondents of my research do not list them as being significant. Moreover, insufficient qualifications in the case of Polish migrants in Ireland are mainly associated with their low level of English. Pater's (2008) study, does not consider the respondents' intention to develop their skills as an important stimuli. Furthermore, it does not recognise that, illegal employment can give respondents an opportunity to self-actualization. Weston and O'Hora (2008) overestimate the impact of the benefits of the social welfare system on the decisions of illegal workers.

#### 4.6. Discussion

In this section the comments of the interviewees will be analysed from the point of view of the researcher and her experience in Ireland.

The Kropiwiec's (2006) classification of Polish economic migrants in Ireland as 'target earners' and 'global cosmopolitans' will first be examine. In my opinion, this classification was more usable in the initial stages of EU enlargement. In 2011 that categorization seems to be insufficient and no longer valid as many of the 'target earners' returned to Poland while many Polish nationals decided to settle in Ireland. However, a number of those who decided to stay do not have any financial goals to achieve, and their future plans do not match to any of Kropiwiec's (2006) category (e.g. Kieran). A number of Polish nationals just work to earn enough to live. Moreover, many of those for whom the migrating decision was not associated with work abroad, but for example, with family reunion (Sinead, Niamh) or seeking asylum (Liam), presently work in Ireland. Furthermore, Kropiwiec (2006) is not explicit, it is unclear if her categorization is based on the reasons for migration or on the goals that Polish workers want to achieve, which can vary. Moreover, I know from my own experience and I truly believe that the desired goals of migrants in a foreign country may alter over time.

The second issue that will be developed is associated with chain migration. The decision of immigrants to choose Ireland in particular, over the other countries that opened their boarders for EU-8 nationals in 2004, was largely influenced by the presence in Ireland of friends or relatives. This common pull factor is in my opinion, underestimated in the literature concerning Polish migration to Ireland. Based on respondents' explanations I believe, that having a social relationship with previous migrants, reduces the risk and the financial and psychological costs of migration. Simultaneously, it makes the self-selection hypothesis less valid. This research sample consists of people who have completed secondary school exclusively. Moreover, three of the interviewees at the time of migration, were greater than 30 years old.

The profile of the respondents in this research sample does not correspond fully with the profile of the Polish migrant in Ireland. The sample is too small to conclude with certainty, a definite profile of the Polish worker, who is or was involved in shadow employment in Ireland. However, based on this sample, the education level of the respondents is lower than the average education level of Polish migrants in Ireland. Moreover, the respondents' level of education might be linked with their poor command of English as in most Polish higher level schools, English is a compulsory subject. Poor levels of English led to low self-confidence and a lack of faith that the option of legal employment was available. Consequently, Polish workers often depend on their friends or relatives to find employment, what seemed easier for them. This arranged employment consists mainly of positions that require low qualification and often positions in shadow employment. The recommendation of friends to the workplace, created a large group of Polish nationals in low skilled employment, who very often do not utilise their full potential. Moreover, some of the immigrants demonstrated resistance to change. They became more independent after particular time; however, they remain in the black economy.

Nevertheless, some immigrants who initially worked in low skilled jobs, very often want to achieve social advancement when they have gained familiarity with the labour market and have improved their English. Therefore, many of them, such as Niamh, Cormack, Claire or Ciara considered self-employment. Thanks to selfemployment Cormack and Claire transferred their work to the regular economy. However, for some the recession proved too high barrier to achieve a social advancement. Since the recession, Sinead works less hours in her legal employment in a nursing home and was forced to look for an additional job. This pushed her into the secondary segment of the labour market, where employment was more obtainable and where working hours, could be arranged to suit her schedule. However, the recession has not significantly increased the interviewees' level of engagement in shadow employment. On the contrary, the majority of respondents were employed in the black economy at the beginning of their stay in Ireland and simultaneously at the end of the 'Celtic Tiger' times. At present, only Kieran, Liam and Eamon, remain in full time shadow employment. Although, they state that this is a conscious choice. Therefore their engagement in the black economy is not associated with the economic crisis. Moreover, the case of the respondents is contradictory with the statement that since the recession the problem of the black economy is increasing (McGee, 2011). However, again I am conscious, that the research sample is too small to assess general tendencies.

I think it is noteworthy that most of the respondents who worked illegally, do not feel any responsibility toward the law for the fraud they committed. Meave's statement: "I do not have any remorse; she [the employer] should have regret as she employs people illegally", clearly portrays my concern. Moreover, the situation of Aoife, who felt guilty that she had not informed her employer of her plans to return to Poland, demonstrates the psychological complexity of illegal work. Aoife stated that she do not like lying. She felt guilt for leaving her job, but she did not feel guilt toward the State for working untaxed. This, in my opinion, is associated with detachment of the State. Aoife and other respondents did not feel obliged to declare their illegal earnings and the process itself seemed too complicated to them. There is no doubt that the majority of respondents, are motivated to involve in the black economy, by the desire to increase their personal income. This desire is usually not combined with desire of fraud. They would not mind paying tax on their income as long as the process was simplified. In my opinion, an incentive for illegal workers to register their irregular, odd jobs, could be the reduction of the administrative burden. It is notable, that most of respondents were self-employed and worked people privately (cleaning, houses renovation, childminding or health and beauty services). Therefore, the registration of income depends not only on them and but also involves reporting dishonest employers, toward whom the worker might feel a sense of loyalty. Moreover, if there was a simpler method of suspending benefits for the duration of short-term employment it could encourage people to register short-term work. The case of Cormack illustrates this point. He feared the potential difficulty of regaining his benefits after his temporary work finished and this fear influenced his decision to enter into shadow employment. Fielding (2011) also noticed that the Irish system is not designed, to make it easy for people to take irregular temporary work.

Base on the case of some respondents, I noticed that workers both legal and illegal are not informed about the advantages and disadvantages of self-employment or about the opportunities given by the Government for the self-employed. After a few interviews, I gave advice to the self-employed about grants that were offered by the County and City Enterprise Board, the respondents had not been aware of. This

confirmed my belief that Polish people still do not know where to look for information, which is not always associated with their level of English. I believe that often this kind of information is not effectively relayed by public institutions, to the people most interested in it. In my opinion, information which could lead to increase involvement in legal employment should be available on the website of Polish institutions, for example on the website of the Embassy of the Republic of Poland in Dublin. This would require co-operation between Polish and Irish institutions. However, I think that only full co-operation, between Irish organisations and their foreign counterparts can contribute to reduction of the problem of migrant workers in the secondary labour market and consequently incensement of the income of the State. This in turn, would have a beneficial influence on Ireland's financial crisis. Another example of impoverished information flow is Fionn indication, that the Government should organise English courses for foreigners. That would help to improve their qualifications. However, such courses are organised by the Vocational Education Committee (VEC) in a few places in Galway and their popularity is quite low. Again, this can be explained by the fact, that information is not easy accessible to interested parties.

Last but not least, in encourage workers to transfer to regular employment the attitude of community toward shadow employment is important. Respondents state that, there is a high acceptance of shadow employment and a willingness to reduce costs by using the cheaper services of an illegal employee. Illegal jobs are usually performed in either the house of employee or employer. Consequently, the worker does not have contact with completely random people. The service is advertised to potential customers mainly through word of mouth. Therefore detection of illegal employment is constrained. The interest in using illegal services could be reduced, if the State implemented beneficial incentives for customers to always request a receipt. Base on interviewees' comments, I noticed that presently there is no incentive for private people, who are for example renovating their house, to request a receipt. If there was the possibility, for tax deduction for certain services, e.g. when acquiring a worker for small jobs such as plumbing, painting, childminding, they would request a receipt. This would lead to a reduction in the number of people, who do not report their earnings. Reported earnings and social contributions would generate a higher State income and would also ensure the social protection of

workers. It would also be in interest of people using the services, who could apply to the Revenue for reimbursement of incurred costs. Additionally, the obtained receipt would work as a written guarantee of the services provided by the particular person.

To conclude, I present a summary of the respondents' reasons for their engagement in shadow employment:

- Difficulties with finding legal employment, e.g. Brian, Kieran, Aoife, Sinead, Enda, Eamon.
- Lack of belief that legal employment can be found with their present qualifications and therefore they do not look for legal employment, e.g. Aoife, Kieran, Eamon.
- Willingness to gain additional income to legal earnings and difficulty finding suitable legal work (part time job with flexible hours), e.g. Meave, Sinead, Niamh, Aoife.
- Tax avoidance, e.g. Fionn.
- A better possibility of self-actualisation in shadow employment than is available to the respondents in regular work, e.g. Fionn, Ciara, Niamh, Claire.
- Possibility to gain market knowledge and to build a customer base which can be used in future legal employment, without present risk, e.g. Niamh, Ciara, Claire.
- Desire to retain Social Welfare payments, e.g. Kieran, Cormack.
- Desire to remain anonymous, e.g. Liam.
- Opportunity to have a higher degree of freedom and the greater possibility of decision making in unregistered work than in registered employment, e.g. Fionn, Claire, Niamh, Ciara.
- Willingness to practice skills that the respondent considers to be important to his/her future career, e.g. Niamh, Ciara, Cormack.

I hope that my research will open up the discussion about the very complex topic of shadow employment in general, and not only of shadow employment amongst immigrants in Ireland. I believe that recognition of the reasons for engagement, can lead to further qualitative and then quantitative research, on the reasons for involvement in the shadow employment. Finally, this could be used to prepare and implement appropriate Government policy and regulations, which would help to

reduce the problem, whilst simultaneously leaving employees and employers interest largely unaffected. I believe that in case of shadow employment it is better to preventing it by implementing appropriate policy, than combating it by control and fines. However, the Government should be conscious, that the black economy cannot be completely eliminated, because:

"Every time the propensity to exchange is considered, individuals try to circumvent the constrains in order to obtain what they perceive as the benefits of exchange. In other words, when impediments prevent exchanges in the official economy, demanders and suppliers will often retreat in the underground economy to pursue their trades."

Adam Smith (1776) "Wealth of Nations"

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