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Chinese Investment Strategies and Migration – Does Diaspora Matter? Poland – Case Study

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**EUROPEAN UNIVERSITY INSTITUTE, FLORENCE
ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES
MIGRATION POLICY CENTRE (MPC)**

**Chinese Investment Strategies and Migration – Does Diaspora Matter?
Poland – Case Study**

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Mission statement

The Migration Policy Centre at the European University Institute, Florence, conducts advanced research on global migration to serve migration governance needs at European level, from developing, implementing and monitoring migration-related policies to assessing their impact on the wider economy and society.

Rationale

Migration represents both an opportunity and a challenge. While well-managed migration may foster progress and welfare in origin- as well as destination countries, its mismanagement may put social cohesion, security and national sovereignty at risk. Sound policy-making on migration and related matters must be based on knowledge, but the construction of knowledge must in turn address policy priorities. Because migration is rapidly evolving, knowledge thereof needs to be constantly updated. Given that migration links each individual country with the rest of the world, its study requires innovative cooperation between scholars around the world.

The MPC conducts field as well as archival research, both of which are scientifically robust and policy-relevant, not only at European level, but also globally, targeting policy-makers as well as politicians. This research provides tools for addressing migration challenges, by: 1) producing policy-oriented research on aspects of migration, asylum and mobility in Europe and in countries located along migration routes to Europe, that are regarded as priorities; 2) bridging research with action by providing policy-makers and other stakeholders with results required by evidence-based policy-making, as well as necessary methodologies that address migration governance needs; 3) pooling scholars, experts, policy makers, and influential thinkers in order to identify problems, research their causes and consequences, and devise policy solutions.

The MPC's research includes a core programme and several projects, most of them co-financed by the European Union.

Results of the above activities are made available for public consultation through the website of the project: www.migrationpolicycentre.eu

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1. Introduction – aim of the study and methodology

For centuries Poland has been – and still remains – a net emigration country sending thousands of migrants to the United States and Western European countries. Notwithstanding, since the early 1990s, along with the socio-economic changes related to the transition from socialist towards market economy and liberalization in admission policies Poland started to play a role in the European migration system. Already in 1990s Poland hosted various categories of migrants – transit migrants, asylum seekers and refugees, petty traders, highly skilled professionals and labour migrants. The most important countries of origin were post-Soviet countries (predominantly Ukraine) and Vietnam (as a side effect of close cooperation between these two countries in the communist era). The immigration grew in importance after the Poland's accession into the European Union (1st of May 2004), however, due to massive outflow of Polish citizens in the post-enlargement period, inflows of foreigners do not counterbalance emigration and net migration remains clearly negative.

China was never an important sending country in case of Poland. Contrary to some other countries of the region – particularly Hungary – inflows of immigrants from this country were of marginal importance. This situation started to change only recently. The scale of this phenomenon remains relatively low but it presents some interesting features. Thus, the aim of this report is twofold:

- First: to assess in quantitative terms the scale of flows and stocks of Chinese migration to Poland.
- Second: to ask the question whether it is possible to relate recent migration flows to investment activities of Chinese companies.

Due to the almost non-existent Chinese diaspora in Poland we propose three possible ways of explaining links between migratory flows and FDI:

1. Chinese multinationals in Poland recruiting foreign line workers;
2. Chinese multinationals in Poland employing managerial staff (conditional on local / regional labour market conditions);
3. Endogenous investment process stipulated by Chinese migrants present in the country (explicit impact of the diaspora).

The report will present exemplary cases of those three strategies.

The report is based on all available data on Chinese migration to Poland. The most important sources include: OECD data bases, data provided by Polish Central Statistical Office and Ministry of Labour and Social Policy. The analysis of Foreign Direct Investment is based on the OECD data, World Bank data and Polish sources (mainly National Bank of Poland). Due to some methodological problems (presented in section 3) the full assessment of the phenomena is not possible and the picture obtained is obviously biased¹. Additionally, the report utilizes information gathered during in-depth interviews with representatives of Chinese diaspora in Mazowieckie region.

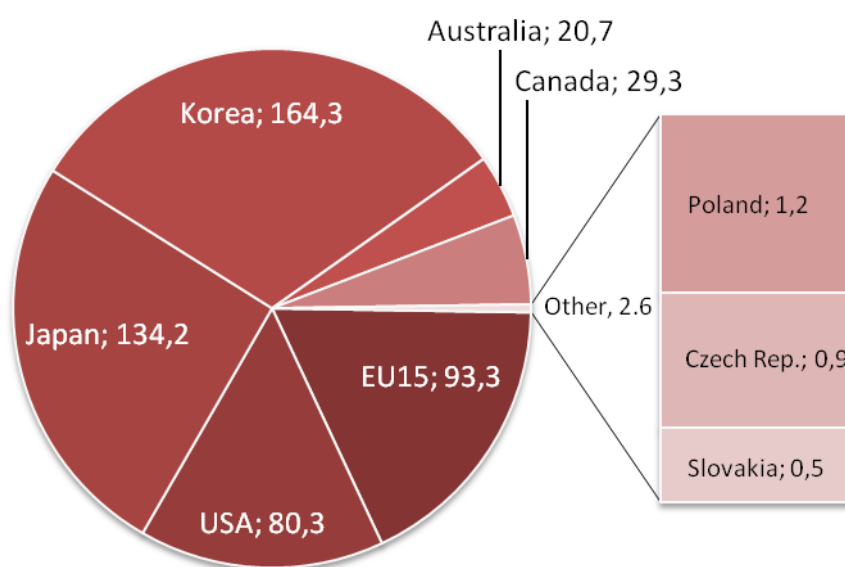
The report is organized in a following way. Section 2 looks at the recent Chinese migration to Poland but it presents it in a broader context – of both Chinese migration worldwide and flows / stocks of immigrants in Poland. Section 3 provides an analysis of Foreign Direct Investment in Poland, with particular emphasis on Chinese capital. Next section is based on available quantitative and qualitative data and assesses links between Chinese FDI in Poland and migration flows. In this section we refer to three potential explanatory avenues as suggested above. Finally, section 5 concludes.

¹ Underestimation of the scale of Chinese FDI is due to the fact that unknown part of Chinese FDI to Poland comes *via* gateway countries – see also Zhang 2013.

2. Chinese migration to Poland

In general, Poland is a negligible destination country, both when compared to OECD and with reference to EU as a whole. In fact, Poland attracts roughly as many Chinese as Czech Republic, with the latter being about four times smaller in terms of population, Figure 1. As opposed to for instance Vietnam, the tradition of Chinese migration to Poland has never been prominent, which explains relatively lower inflows of Chinese to Poland post the economic transformation as of 1989. A second explanation consists of the observation, that Poland is traditionally rather a sending country than a receiving one and despite positive economic developments is not perceived as an immigration magnet. Consequently, Chinese migration to Poland is economically and politically minor. Because of this recent phenomena are even more intriguing.

Figure 1. Major Chinese destination countries [in thousand migrants], data for 2008.



Source: OECD

The objective of this section is to present the scale and characteristics of Chinese migration to Poland. We first describe Chinese migration in general. We then move to describing migration situation of Poland, which is a typical sending country. Finally, we discuss in detail Chinese migration to Poland. The analysis of the Chinese migration to Poland comprises the analysis of general inflows and inflows of workers (as two separate categories). We also present some evidence relating to industry and sector location of Chinese immigrants in Poland.

2.1. Chinese migration – general overview

As clearly pointed by Pieke and Speelman (2013) there is a clear structural break in China's migration history. Transcontinental Chinese migration on a massive scale started in the late 19. century and was related mainly to the so-called coolie trade (recruitment of indentured workers) and employment of coolie workers in labour intensive sectors of American or Asian economies (e.g. sugar cane and cotton

plantations)². The process of mass emigration from China was interrupted when the most important receiving countries including USA and Australia introduced anti-immigration laws³.

The new wave of Chinese migration started only in the second half of the 20. century along with political (and economic) changes in the Peoples' Republic of China. The initial driver of the new wave of Chinese migration was a fundamental relaxation of the emigration policy, particularly, imposing – in 1985 – the new immigration law which allowed to travel abroad (relatively) freely and to make business with partners abroad (Piłat and Wysieńska 2012; Pieke and Speelman 2013). Chinese migration of that time (1970s-1980s) has been relatively ordered both in terms of destinations (USA, well established destinations in Europe) as well as regions of origin (Guangdong province, Zhejiang province) (Pieke and Speelman 2013).

Importantly, these patterns of migration from China changed drastically in the 1990s and 2000s. According to many authors, the changes were driven mainly by changes in the Chinese society (economic reforms producing both winners and losers)⁴. As a consequence, previous patterns of massive internal migration (“floating population”) could be easily translated into high propensity to migrate in international terms. This process was supported by rapid expansion of supporting services (migration as a business), growing scale of professional and scientific mobility and expanding role of China as source of capital (FDI)⁵ (Pieke and Speelman 2013; Piłat and Wysieńska 2012). These changes were accompanied by a gradual change in immigration policies of the most important receiving countries - there is a clear tendency visible to move from strictly exclusivist policies introduced in the late 19. and early 20. century towards far more friendly post-war policies (particularly in the USA and Canada). Consequently, migration has become a social mobility avenue for people of all social backgrounds (Pieke and Speelman 2013; Zhang 2013).

Today's China is one of the most migrant sending countries worldwide. According to the estimates available the size of Chinese diaspora is as large as 35 million (80 per cent living in other Asian countries, 13 per cent in North America) (Zhou 2009; quoted by Piłat and Wysieńska 2012). The number of Chinese migrants staying abroad (first generation only) is estimated at 8.3 million (2010) i.e. 0.6 per cent of the total population (World Bank 2011). The most important destination countries include Hong Kong, US, Japan, Canada, Singapore, Thailand, Australia, the Republic of Korea and EU countries (UK, France, Germany, Italy and Spain). Figure 2 presents the dynamics of recent Chinese migration to main destinations.

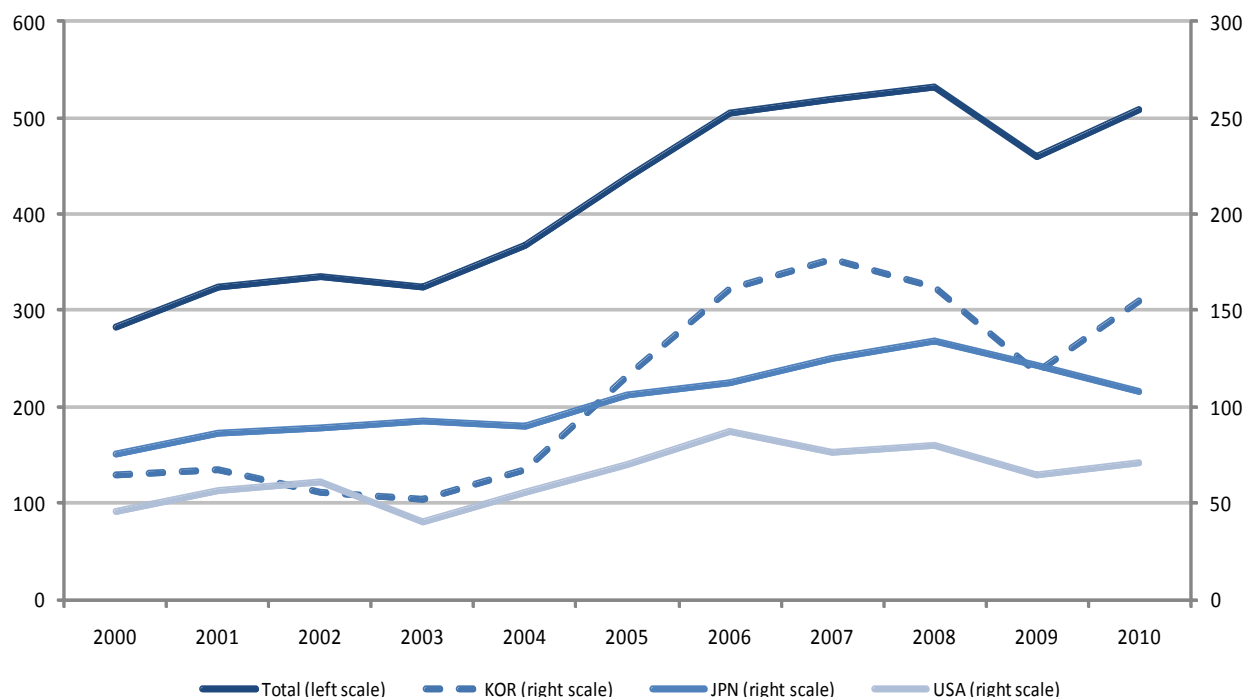
² Altogether several millions of Chinese were sent as indentured workers to more than 40 countries between the 1830's and 1940's (Castles and Miller 2009).

³ It is important to note that first anti-immigration measures such as Chinese Exclusion Act (USA) or Immigration Restriction Act 1901 (Australia) were aimed at this particular immigrant group.

⁴ In this respect China may serve as a perfect example of the hypothesis stated by Douglas Massey (1999) that migration is not a product of stagnation but it rather results from socio-economic change.

⁵ The best example of this kind of mobility is Chinese migration to Africa. According to the data available the number of Chinese companies investing in African countries is close to 1000, these companies are often followed by migration streams – their size was estimated at 200-300 thousand annually in late 2000s (Politzer 2006; Sautman 2006; Kuang 2008).

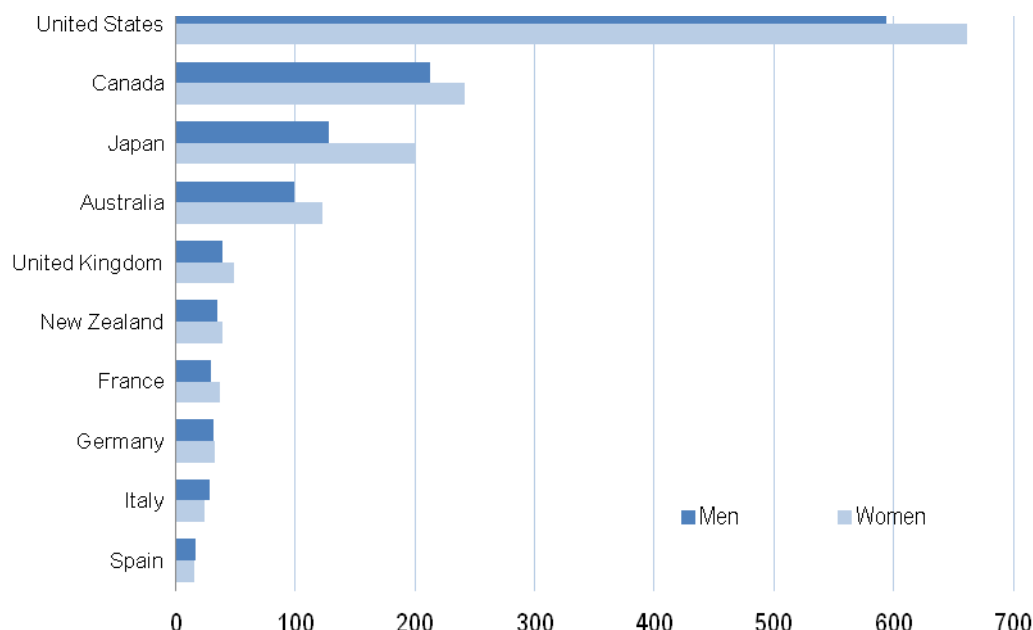
Figure 2. Legal migrant flows from China to the OECD (total and selected destinations), 2000-2010 [in thou]



Source: OECD

Interestingly, the scale of outflow from China remained high despite the economic crisis and was as high as 440-540 thousand annually over the period 2005-2010 (OECD 2011). As the proxy of the importance of recent migration from China the scale of remittances may serve – according to the MPI data China is the second largest recipient of migrants' remittances; in 2010 the scale of the transfer equalled over 53 billion USD (MPI Data Hub).

Against this background, Chinese migration to the European destination is highly specific. First, its scale is far smaller than in case of other continents. Estimates of the number of Chinese in Europe vary significantly. In 2008 it was assessed by Eurostat at 670 thousand (2.1 per cent of total foreign population). Chinese sources provide far higher figures: e.g. 2.6-3.2 million in 2010 (Pieke and Speelman 2013). Figure 3 presents the main destinations of Chinese migrants and points to relatively small importance of European destination countries as compared to traditional migration magnets such as the US, Canada, Australia or Asian countries.

Figure 3. Ten main destination countries of Chinese emigrants in 2005/06

Source: OECD

Second, according to Laczko (2003) the structural features of this migration stream are also specific being marked by relatively high shares of students, highly educated persons and at the same time – irregular workers. The structure of receiving countries is also interesting. According to the recent data since 1990s the most dynamic inflow in Europe was noted in Southern European countries (particularly Italy and Spain) but also in Central and Eastern European countries (particularly Hungary⁶). The structural features and activities performed by Chinese migrants in European destinations differ significantly. In case of the Southern Europe Chinese are very active in the business field (services, gourmet industry, gastronomy), in Central and Eastern Europe trade and wholesale trade dominates, in case of Western European countries (particularly the United Kingdom) student migration plays the most important role⁷.

The presence of Chinese in Central and Eastern Europe was related both to political factors (as shown clearly by the Hungarian case) as well as to economic conditions. Chinese migrants were eager to set up informal “shuttle trade” and took advantage of malfunctioning socialist economies. Nyiri (2003) pictures a new flow of Chinese entrepreneurial migrants who having no prior connections in this part of Europe managed to utilize even brief periods of liberal migration controls. According to Nyiri, there were two main factors responsible for increasing scale of Chinese migration to Central and Eastern Europe: political and social situation, particularly the Tiananmen Square movement that created anxiety among Chinese entrepreneurs regarding the private sector, and the recession that China experienced between 1989 and 1991 acting as the main push factor. As a consequence, Hungary

⁶ Chinese migration to Hungary constitutes a very special case. This is mostly due to very close relations between Hungarian and Chinese government in the communist era. In 1988 a bilateral agreement on the visa free regime was signed which led to significant increase in number of Chinese migrants in Hungary. According to Nyiri (2003) the scale of border traffic increased from 11 thousand in 1990 to almost 30 thousand in 1991. Due to very large scale of the inflow (45 thousand between 1989 and 1991) in 1992 the migration policy concerning Chinese citizens was changed, however, this first impulse gave a chance for gradual development of Chinese diaspora in Hungary (Nyiri 2003; Pilat and Wysieńska 2012).

⁷ E.g. Chinese students are the single most important group among foreign students admitted at British universities.

became one of the main distribution centres of Chinese wholesale trade in Central Europe supplying most of the neighbouring countries (see also Zhang 2013).

The scale of irregular migration of Chinese to Europe remains largely unknown. In the early 2000s the stock of illegal Chinese migrants staying in Europe was estimated as high as 200 thousand. Notwithstanding, some institutions (e.g. European Federation of Chinese Organizations) provide far higher figures (roughly 1 million). Experts suggest taking rather conservative stance on this point (Laczko 2003).

2.2. Migration to Poland – general overview⁸

For centuries Poland has been a traditional country of emigration. This situation started to change only in early 1990s when along with socio-economic changes first mass inflows of foreigners appeared. Notwithstanding, Poland remains net emigration country whereas the scale of outflow significantly outnumbers the scale of immigration.

This statement can be supported by all kind of available statistical data. The basis source of information on immigration to Poland is the Central Population Register which provides the information on persons who came from abroad and registered for a permanent stay in Poland. The problem is, however, that these data comprises both Polish nationals and foreign nationals, i.e. it concerns not only immigrants, but also Polish returnees. The scale of registered immigration to Poland is very low - in the period 2001-2010 112.8 thousand persons registered in Poland for a permanent stay, in 2011 (most recent data) the number of permanent immigrants was around 15.5 thousand persons. However, the vast majority arrived from the countries of European Union (72 per cent) which leads to an obvious conclusion that this data seem to include information rather about the return migration or migration of persons with Polish descent than inflow of foreigners.

Similar picture refers to the stock of temporary migrants, i.e. persons who arrived from abroad and registered for a temporary stay of above 3 months in Poland (both foreigners and Polish nationals). According to the Central Population Register in 2011 around 66 thousand persons registered for a temporary stay in Poland, whereas 69 per cent of them stayed in the country shorter than 1 year. The main countries of previous stay included Ukraine (18.2 thousand, 28 per cent), Germany (8 per cent), Belarus (7 per cent), Vietnam (5 per cent), Russian Federation (4 per cent), and China (2.8 thousand, 4 per cent). 35 per cent of them were staying in the Mazowieckie voivodship. In 2011 42.6 thousand residence permits were issued (slight decrease as compared with 2010), structure of immigrants was similar as noted above.

According to the 2011 National Census⁹ around 675 thousands of permanent residents of Poland (1.8 per cent of the total population) were born abroad. The major countries of origin were persons born on the territory of Ukraine (227.5 thousand), followed by Germany, Belarus, and Lithuania. This number – relatively high as for Central European standards – says nothing about the actual immigration: significant portion of “foreign-born population” constitute persons born outside the Polish territory, i.e. Polish citizens born either in the pre-war Poland or abroad, but relocated or displaced during the Second World War. In fact, only 7 per cent of foreign-born persons do not hold the Polish citizenship. According to the 2011 Census 55.4 thousand (0.1 per cent) were citizens of other countries, including 13.4 thousand citizens of Ukraine (24 per cent), 5.2 thousand citizens of Germany (9 per cent), 4.2 thousand citizens of Russia (8 per cent), 3.8 thousand citizens of Belarus (7 per cent), 2.6 thous. citizens of Vietnam (4.7 per cent). Most of foreign citizens live in Mazowieckie voivodship (17.2 thousand – 31 per cent of the total). Importantly, the metropolitan region attracted 73 per cent citizens of Vietnam and approximately 30 per cent of citizens of Ukraine and Russia.

⁸ This section is based on Kaczmarczyk 2013.

⁹ Full outcomes of the Census are not available yet.

Similar scale of the stock of immigrants can be estimated on the basis of the Labour Force Survey data. As other sources quoted above, the LFS reveals a very low scale of immigration to Poland: in the first half of 2011 the number of foreign citizens (aged 15 and over) was as high as around 40-45 thousand.

All above presented data shows that the scale of both short term as well as long term immigration to Poland is very small or even marginal. It comprises mostly persons originating from former Soviet Union countries. Vast majority of all migrants reside in large cities, with around 30-40 per cent of them staying in Warsaw or Mazowieckie Voivodship. The trends are very stable.

Contrary to this picture, there is a steady increase visible regards foreign labour admitted to Poland. The number of work permits granted in Poland has been increasing constantly since 2007 and in 2011 reached around 39.5 thousand (13 per cent more than in the previous year). Additionally, around 1.3 thousand of work permits granted to foreign sub-contracting companies were issued. The largest groups of foreign workers were citizens of Ukraine (35 per cent of the total), China (5,854, 14 per cent), Vietnam (6 per cent), Belarus (4 per cent), and Nepal (3 per cent). The main economic sectors of foreign employment included construction (22 per cent), retail and wholesale trade (17 per cent), household services (11 per cent), manufacturing (10 per cent), professional, scientific and technical activities (8 per cent) and hotels and gastronomy (7 per cent). A clear division of foreign workers is visible: work permits holders are dominated by qualified workers and workers performing simple jobs, employed mostly in retail and wholesale trade (the case of citizens of China, Ukraine, Vietnam), manufacturing (the domain of citizens of Ukraine), construction sector (Ukraine and China), transport (Belarus) and households (Ukraine). Over half of work permits granted individually in 2011 were issued in Mazowieckie region.

Since 2006 there is a possibility to employ foreigner without a necessity to obtain the work permit. According to the so-called simplified procedure the citizens of Belarus, Georgia, Moldova, Ukraine and Russia are allowed to work up to 6 months during twelve consecutive months, on the basis of Polish employer's declaration of intent to employ a foreigner and without work permit. The number of employers' declarations is on steady rise since 2006: it increased from almost 22 thousand in 2007 to 260 thousand in 2011. 92 per cent of all persons who obtained the declaration were citizens of Ukraine. In 2011 the main economic sectors represented by the employers were agriculture and the construction sector, followed by manufacturing, household services and transport. The scale of the phenomenon shows that significant potential for increase of foreigners' employment in Poland.

2.3. Chinese migrants in Poland – flows and stocks

The aim of the previous section was to provide a general background for the analysis of presence of Chinese migrants in Poland. It was necessary to have a clear point of reference when looking at recent flows and stocks of Chinese citizens and analysing its structural features – both in terms of general patterns of Chinese migration as well as recent immigration to Poland.

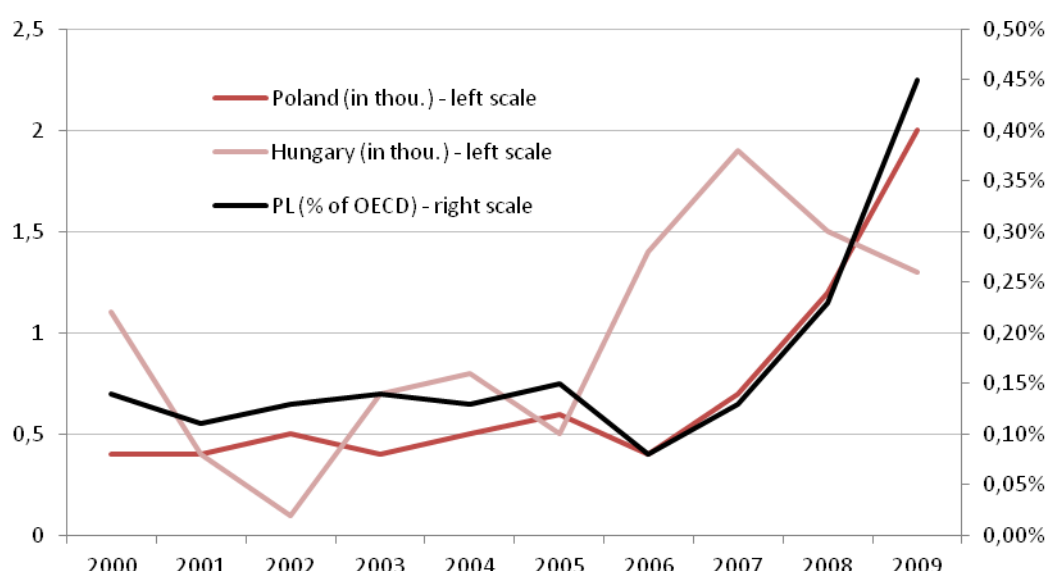
Contrary to other countries of the region (particularly Hungary) Chinese immigrants were hardly present in Poland till early 2000s. The scale of the phenomenon started to change only in late 2000s. According to Piłat and Wysińska (2012) reasons for such a low interest in Poland as destination country were manifold:

- first, Polish market was not perceived as an attractive one – in terms of the wholesale trade of goods imported from Asia it was monopolized by a few businessmen from China, also there was a harsh competition from the side of Armenian and Vietnamese immigrants;
- second, relatively strict migration policy of Poland was perceived as a serious barrier;

- third, unfriendly attitude of Polish administration towards Chinese immigrants¹⁰;
- last but not least – and this is extremely important in the context of this report – as one of potential reasons very low level of Chinese FDI in Poland was treated. In late 1990s China was ranked 26th among all foreign investors in Poland (see Chapter 3).

Apart from low or very low scale of the phenomenon in absolute terms it is important to analyse its relative importance. The above presented data shows that in 2000 inflow to Poland constituted 0.14 per cent of the total Chinese migration flows to OECD countries and 0.64 per cent of the inflow to the EU countries. Nine years later those figures tripled or quadrupled (to 0.45 per cent and 2.47 per cent respectively) but still remain very low. Poland as potential destination for Chinese migrants is far less important than Germany, France or Southern Europe as well as – relatively speaking – other CEE countries.

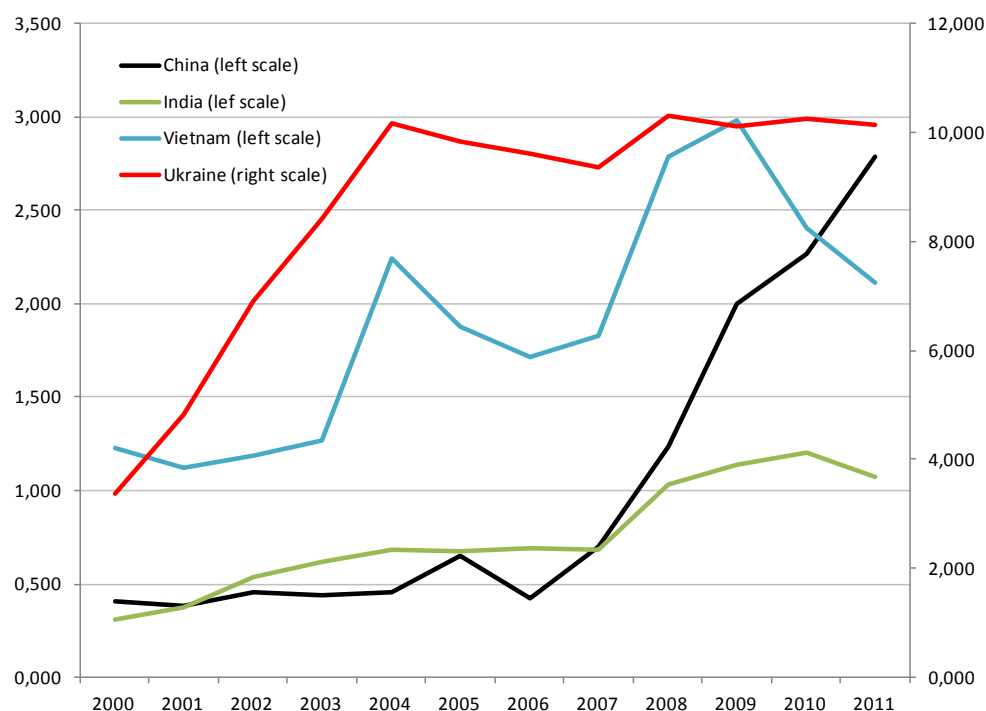
Figure 4. Chinese migrants to Poland and Hungary. Source: own elaboration based on OECD data



It is believed that EU Enlargement posed a direct impulse for change in previously observed migration patterns. According to the Ministry of Foreign Affairs (2008) since 2005 gradual increase with regard to main entry categories was noted. It refers both to borders crossings, visas, and all kind of permits (as well as attempts for illegal border crossing). This tendency is clearly visible while analysing the dynamics of Chinese immigration to Poland – see Figure 5.

¹⁰ In fact, Chinese immigrants are subject to the same set of rules as other third country nationals. They are obliged to possess a visa to enter Poland. However, the number of entries based on the visa procedure does not cover all Chinese coming to Poland. According to the Polish data about 50 per cent of all entries by Chinese into Poland are performed within visa-free regime. This is possible since about 8 million Chinese possess official passports, issued by 56 governmental institutions in China. This category of travellers as well as those possessing diplomatic passports may enter Poland (and other EU countries) without the need to possess a visa which makes assessment of the whole story really difficult (MSWiA 2008).

Figure 5. Inflows of foreigners to Poland – selected immigrant groups. Source: own elaboration based on OECD data.



Data presented above shows that there is a steady increase in scale of Chinese immigration visible since 2006. Since China is gradually becoming the most important migrants' sending country in Asia, so this increase is not a strange phenomenon. However, given that Poland is a country with relatively low influx of foreigners, the growth of the number of Chinese migrants to Poland has shifted China to being currently (in 2011) the second most important sending country. In fact, China has outnumbered India and Vietnam, i.e. traditionally the second most important sending country in case of immigrants to Poland. Possible reasons for this change will be discussed in section 3.

In 2011, 2.8 thousand Chinese citizens registered for temporary stay in Poland. It constituted 0.42 per cent of all registered immigrants – similar number to registered Vietnamese (0.49 per cent) and significantly smaller than in case of Ukrainians (27.6 per cent) (Kaczmarczyk 2013). Only 26 persons from China registered for permanent stay in Poland (0.17 per cent of all registered migrants) and this number was far lower than in case of immigrants from Vietnam (0.35 per cent) and much lower than in case of Ukrainians.¹¹

As for the end of 2011 3,821 Chinese immigrants were holding residence permits and this number was much higher than a few years before (e.g. in 2007 it was only 1,095 persons). At the same time an increase was noted in number of work permits (see below).

As a consequence, the stock of immigrants from China in Poland remains extremely low. According to the PESEL data base, in 2009 the number of registered Chinese immigrants was as high as 0.4 thousand or 0.79 per cent of the total. The outcomes of the 2011 National Census have been not revealed yet but according to the 2002 National Census the number of Chinese immigrants (foreign-born) amounted to 0.74 thousand (0.09 per cent) (according to OECD data). All above presented data may suggest that inflow from China is of marginal importance for Poland. And it is important to note

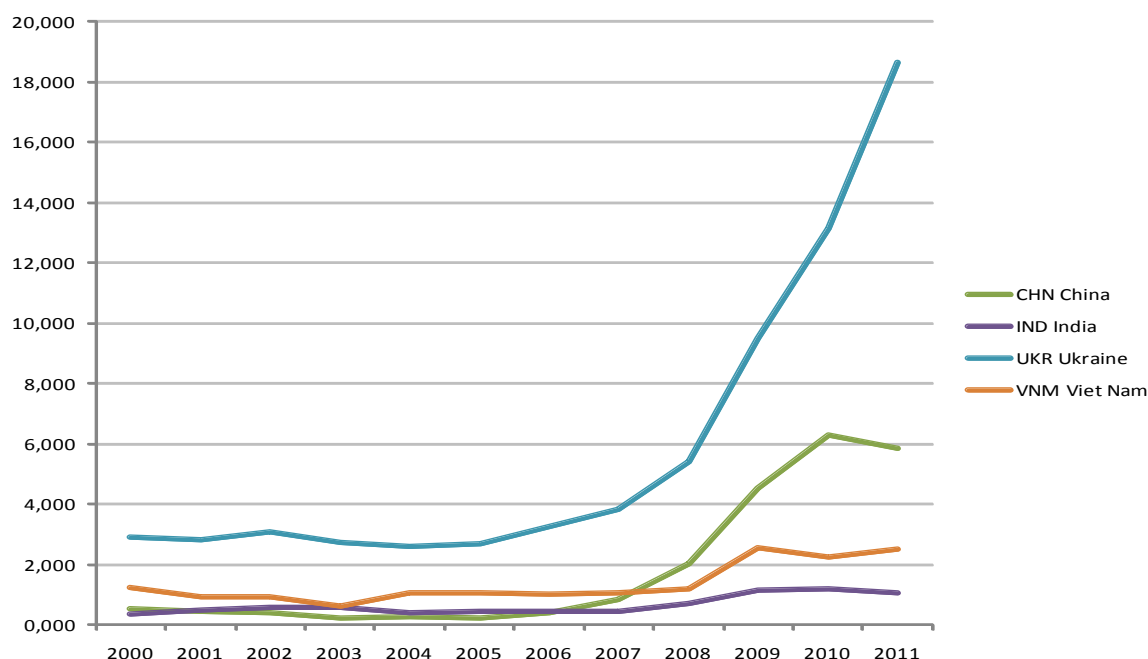
¹¹ Available data suggests that the scale of irregular migration from China is relatively low, particularly as compared to Vietnamese migrants (Piłat and Wysieńska 2012).

that this refers to the country with generally low intakes of foreigners. At the same time, however, Chinese immigration is growing in importance and recently outnumbered inflow from Vietnam, one of the most important migrants' sending countries in Polish case.

2.4. Chinese workers in Poland

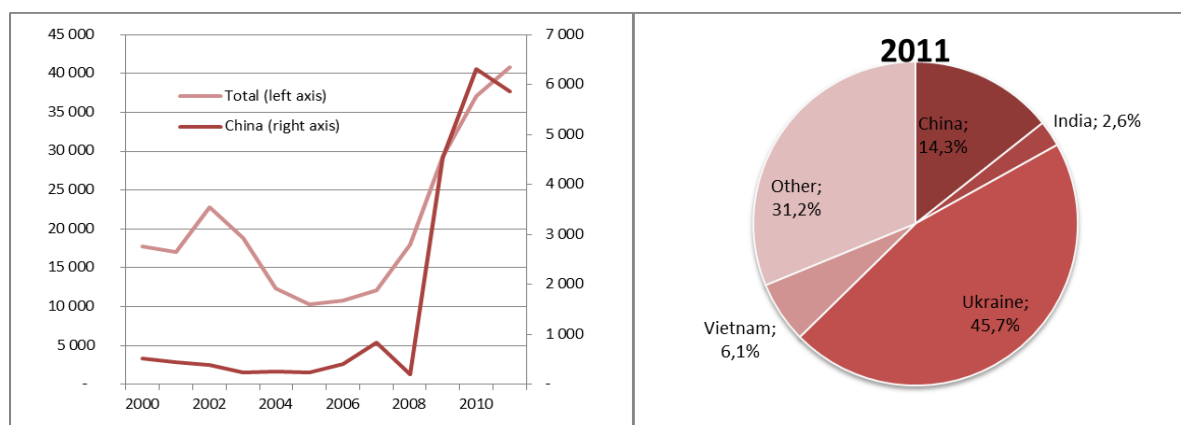
Similar trends refer to mobility of foreign workers. There seems to be a clear division between migrant workers originating from neighbouring countries (not to mention persons relying on the simplified procedure) and those coming from more remote places, Figure 6.

Figure 6. Inflows of foreign workers to Poland – selected immigrant groups.



Source: own elaboration based on OECD data

Despite economic slowdown, numbers of migrant workers from nearly all countries increased in Poland, but the growth was most pronounced in the case of Ukraine (as the most important country of destination). Notwithstanding, since 2007 a clearly rising trend in inflow of Chinese workers is visible, Figure 7. The scale of this phenomenon is far lower than inflow of immigrant workers from Ukraine but in a last few years Chinese overcame not only Indian immigrants but also migrant workers from Vietnam, i.e. one of the most important groups in Poland.

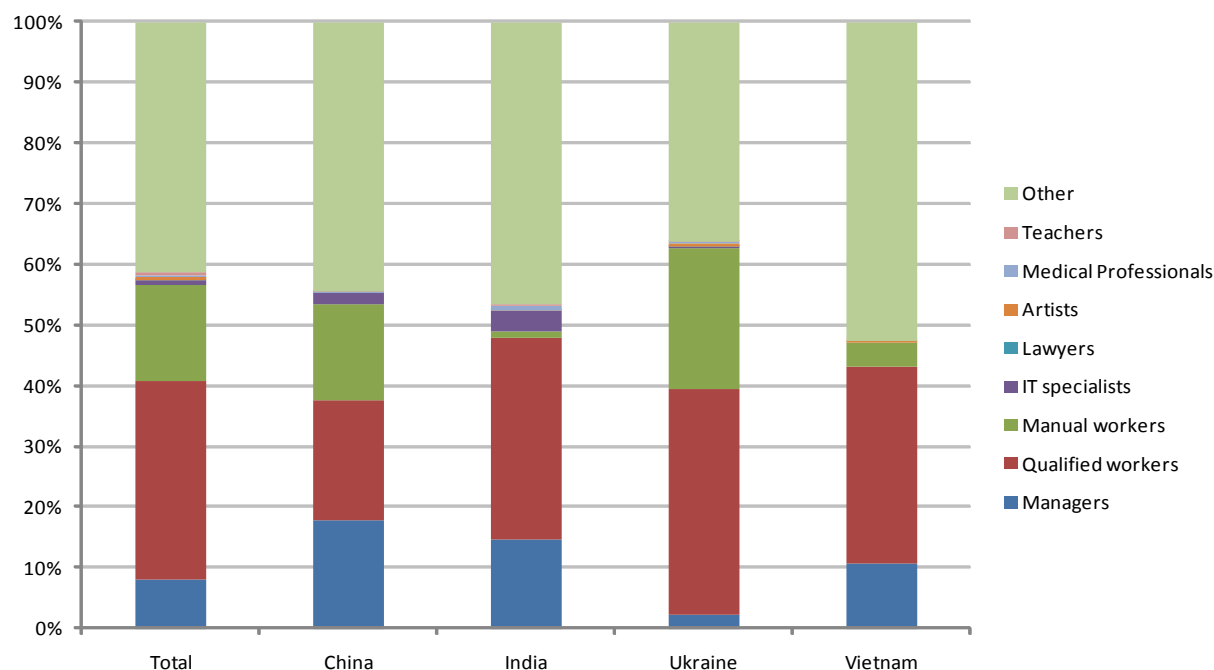
Figure 7. Inflows of foreign workers to Poland – selected immigrant groups

Source: own elaboration based on OECD data

Between 2009 and 2011 Chinese workers constituted around 15-17 per cent of the total inflow as compared to 1.5-3.0 per cent in the early 2000s. In 2011 the scale of the inflow from China was over twice as high as the inflow of workers from Vietnam. The data presented above may indicate a serious change in the migration patterns of Chinese in Poland, particularly if this trend will continue in 2013 (preliminary data for 2012 shows significantly smaller number of work permits issued to Chinese citizens).

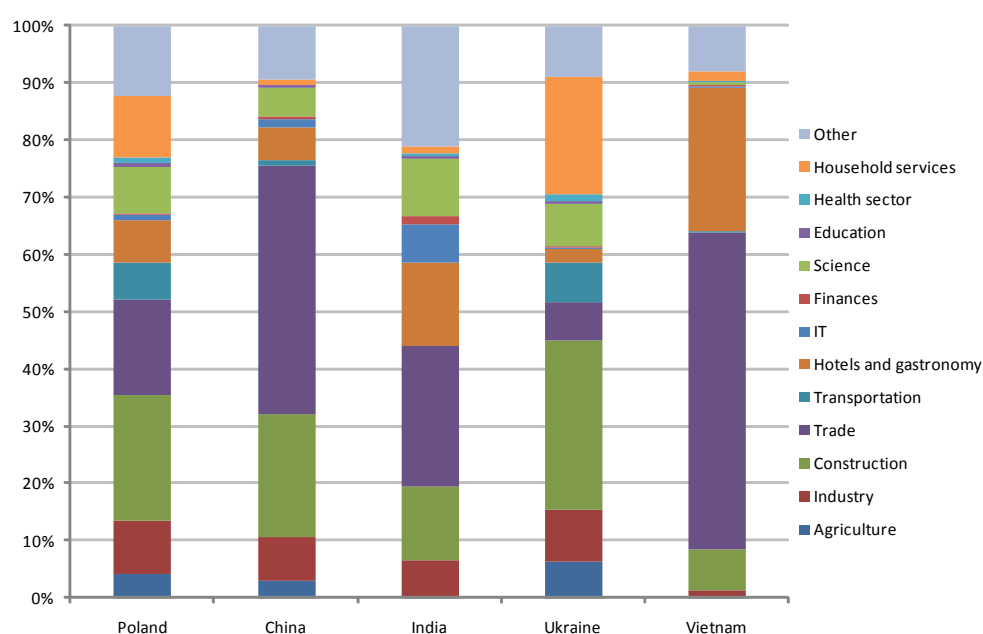
Except for the scale of inflow (in 2005 the number of Chinese immigrants holding work permit was as high as 240, in 2011 this number amounted to almost 6 thousand) the structure of work permits issued changed as well. Till mid 2000s the vast majority of work permits were issued to managers and specialists (over 70 per cent). It reflected both the marginal scale as well as specific forms of inflow in that period. In contrary, in 2011 the share of these professions was lower than 20 per cent and majority of foreign workers constituted unqualified workers employed mainly in retail and wholesale trade (2.5 thousand) and construction (1.3 thousand)¹².

¹² There are methodological problems with the data provided by Polish Ministry of Labour and Social Policies. Categories presented are not necessarily exclusive, additionally, the scale of not qualified permits remains extremely high.

Figure 8. Work permits issued (individually) in 2011, by profession.

Source: own elaboration based on Ministry of Labour and Social Affairs data

Figure 8 reveals the change in the structure of Chinese employment patterns since early 2000s (as noted above). In 2011 except for managers or specialists relatively important group constituted manual (unqualified workers) – share of this category was much higher than in case of theoretically similar group, i.e. Vietnamese immigrants. The same holds true in case of sectoral division of immigrant labour, Figure 9.

Figure 9. Work permits issued (individually) in 2011, by sector of economy (in per cent of the total).

Source: own elaboration based on Ministry of Labour and Social Affairs data

Chinese workers are employed predominantly in construction (roughly 20 per cent) and trade (around 40 per cent). This structure differs significantly from patterns observed in case of persons originating from Vietnam: work permits issued to Vietnamese workers were referring mainly to trade (around 60 per cent) and hotels / gastronomy (further 25 per cent). Thus, this data potentially reveals quite diverse migration strategies of migrants originating from these two Asian countries.

At the same time Chinese citizens dominate among foreigners who obtained work permits for posted workers, Table 1. In 2011 around 900 such permits (C-type permit) were issued for Chinese citizens who constituted as high as 44 per cent of the total (twice as many as for Ukrainian immigrants!).

Table 1. Work permits issued for posted workers, 2011, by type of profession

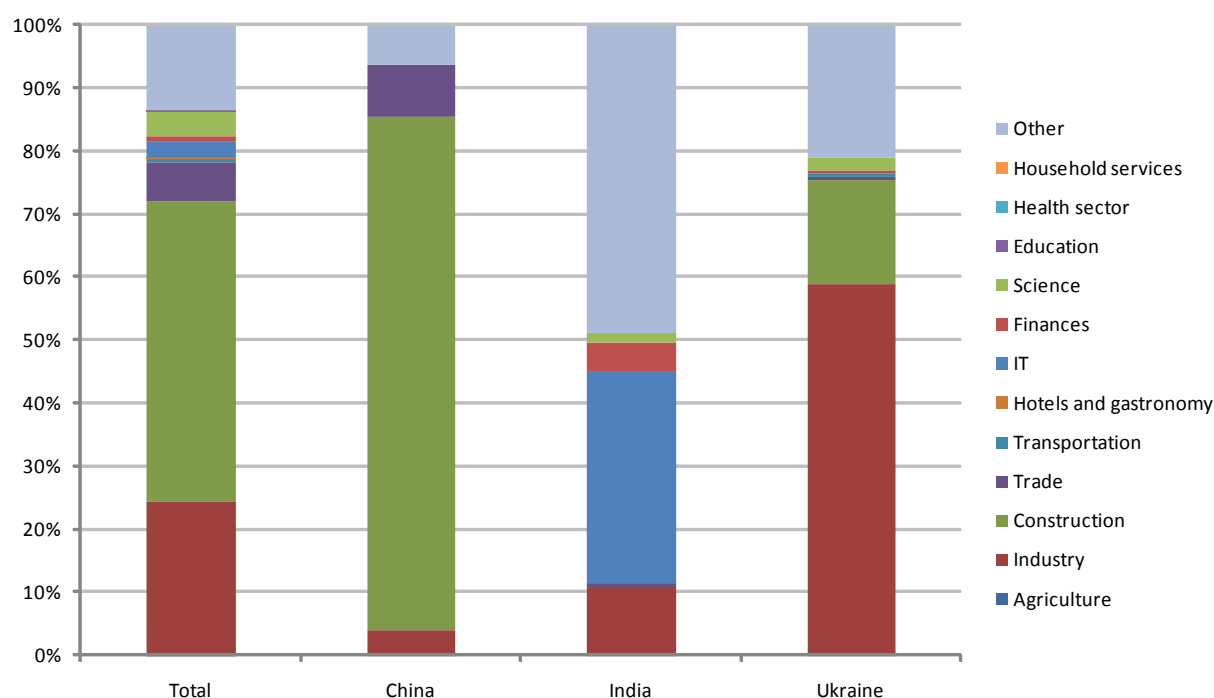
| Country of origin | Total | Managers, experts | Qualified workers | Unqualified workers | Other |
|---|---------------|-------------------|-------------------|---------------------|--------------|
| <i>In thousands</i> | | | | | |
| Total | 2136 | 280 | 532 | 687 | 637 |
| China | 932 | 41 | 51 | 685 | 155 |
| India | 129 | 19 | 3 | 0 | 107 |
| Ukraine | 454 | 43 | 316 | 1 | 94 |
| Vietnam | 17 | 0 | 17 | 0 | 0 |
| <i>As per cent of the total (for a given country)</i> | | | | | |
| Total | 100.00 | 13.11 | 24.91 | 32.16 | 29.82 |
| China | 100.00 | 4.40 | 5.47 | 73.50 | 16.63 |
| India | 100.00 | 14.73 | 2.33 | 0.00 | 82.95 |
| Ukraine | 100.00 | 9.47 | 69.60 | 0.22 | 20.70 |
| Vietnam* | : | : | : | : | : |

* not reported due to low number of observations.

Source: own elaboration based on Ministry of Labour and Social Affairs data.

Majority of these workers constituted unqualified workers and this pattern was significantly different in comparison with Ukrainian (mainly qualified workers) or Indian (large share of managers / specialists) posted workers.

Differences between main categories of posted workers are clearly visible while analysing data on sectoral composition, Figure 10. Contrary to Ukrainian workers who are being posted mainly by firms active in industrial sector, Chinese posted workers are predominantly employed in construction (around 90 per cent of the total). This tendency is to be related to changing patterns of Chinese investments in Poland as well as growing interest of Polish employers in foreign labour from China (Piłat and Wysińska 2012).

Figure 10. Work permits issued for posted workers, 2011, by sector of economy.

Source: own elaboration based on Ministry of Labour and Social Affairs data

3. Chinese investments in Poland

FDI arriving to Central and Eastern Europe played two major roles. On the one hand, foreign strategic investors have been important for the privatisation of the state owned enterprises. On the other hand, numerous greenfield investment as well as acquisitions of the incumbent private enterprises have contributed to changing the market structures as well. The inflow of FDI is widely believed to contribute greatly to increasing access to foreign trading networks, facilitate technology transfer and spillovers and enable the passing of the so called X-efficiency, i.e. superior management techniques to the transition countries. As research demonstrates, however, many of the FDIs have in fact been cherry picking, thus having negligible effect on the firm performance (Hagemejer and Tyrowicz, 2011, 2012). Notwithstanding, access to the foreign trading networks has been an important channel of raising the sales and export shares.

These arguments seem perfectly reasonable if one comprises FDI as flows from Triad countries¹³ to transition economies of the CEECs. However, flows between CEECs and across transition countries are less likely to be motivated by transfer of technology and more probable to be led by scope and scale economies. From this perspective, China, being the second largest economy in the world, is not particularly interested or well fit for being active in CEECs. This long lasting trend is partly changed, however, with the growing interest of the Chinese companies to supply high quality products to the markets of the industrialised countries. From this perspective, location in CEECs may be seen as a gateway to the EU15 markets. Observing FDI patterns across it seems that many of the Chinese FDI entries in the region were governed by either specific interest in that market or because CEECs were considered a gateway to EU15 markets.

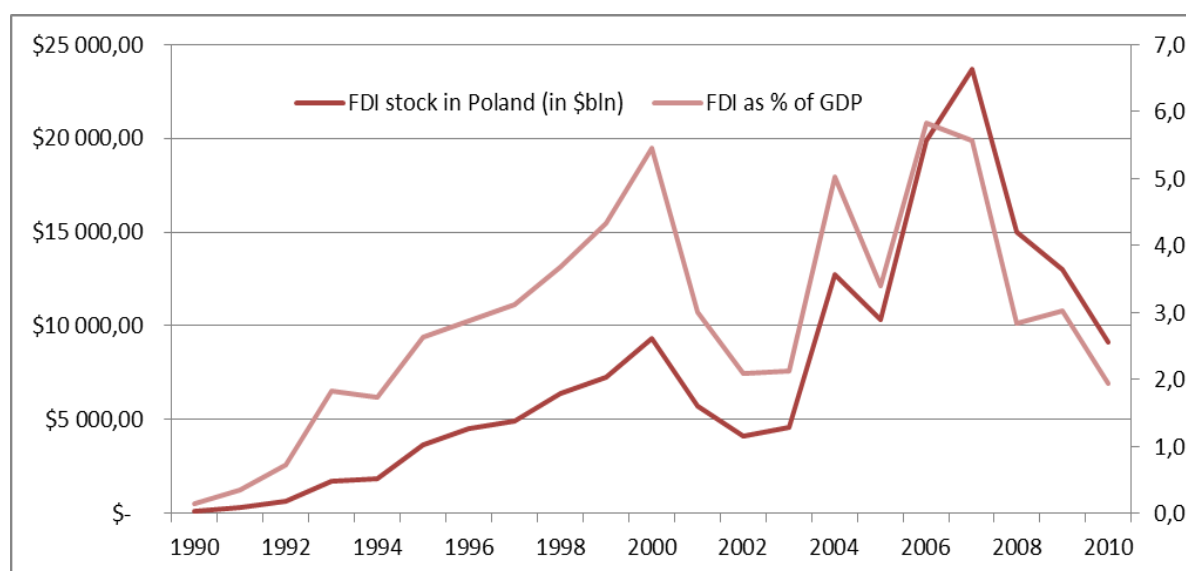
¹³ The so-called Triad is a group of three major trading and investment players in the global scale and includes USA, European Union and Japan.

The objective of this section is to describe the foreign direct investment flows to Poland as a background for the Chinese investments.

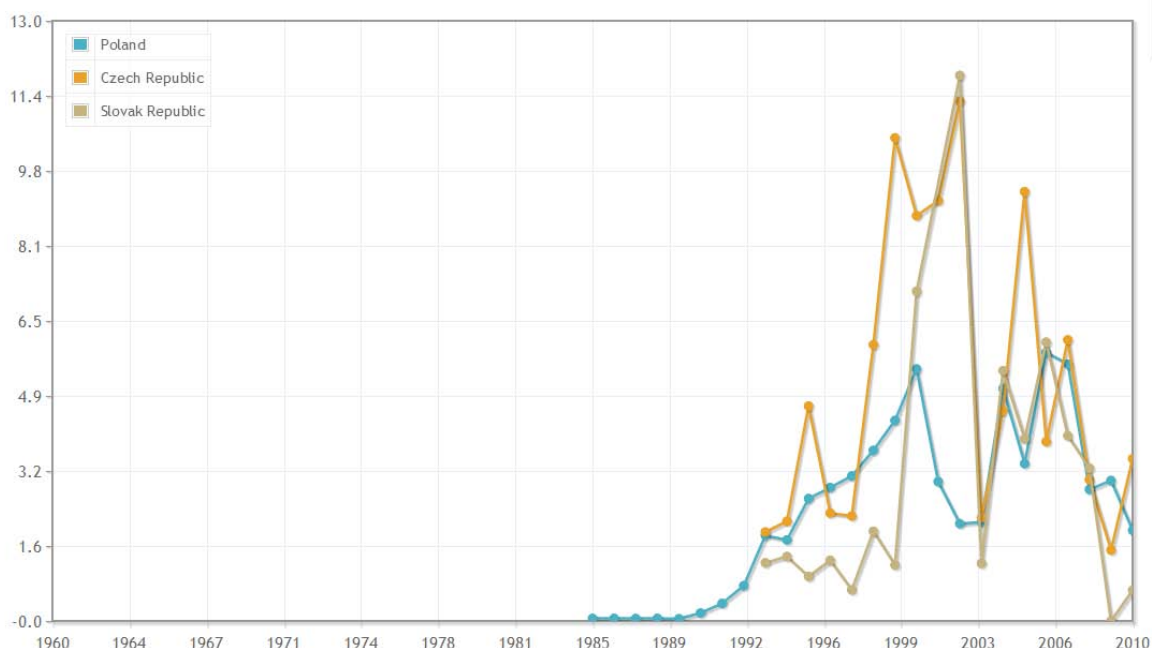
3.1. FDI flows to Poland – general overview

Being the largest country in the Central and Eastern Europe, Poland has also consistently attracted most of the FDI that came to region since the onset of transition. While both the flows and the stocks of FDI have been large in total numbers, Figure 11, in per capita terms countries like Czech Republic or Hungary have outpaced Poland over the last two decades, Figure 12. It should also be noted that many of FDI projects in the region have benefited from a number of tax redemption instruments (including special economic zones) in the 1990s. Accession to the EU as of 2004 made it impossible to continue the preferential tax treatment policies, but for a many non-EU firms interested in easy access to EU15 markets investment in Poland, Czech Republic or Slovakia consisted of a viable business strategy in late 1990s and early 2000s.

Figure 11. FDI stock in Poland (in \$bln and as a share in GDP).

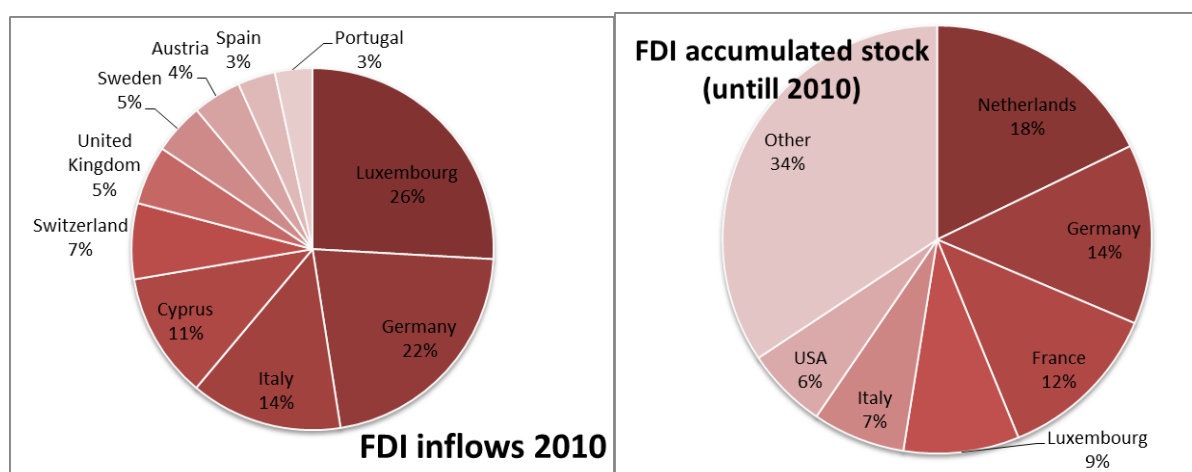


Source: own elaboration of the OECD data.

Figure 12. Foreign direct investment, net flows (% of GDP).

Source: own elaboration based on the World Bank data

In terms of origin, despite temporary trends, these were predominantly Triad countries that invested in CEECs, and Poland is not different in this respect. However, tax regulations in Poland until 2009 have favoured investors from a few countries, i.e. Sweden, Luxembourg, Cyprus and The Netherlands. Consequently, majority of non-EU originated FDI coming to Poland has arrived via these three countries, making it quantitatively impossible to infer from the official statistics, what is the origin of foreign capital coming to Poland. This limits the scope of bilateral analyses to only EU countries (with the exception of the above mentioned four). The problem of gateway countries has been identified recently in the UNCTAD report on global FDI (UNCTAD, 2013).

Figure 13. Foreign direct investment in Poland - inflow of capital in 2010.

Source: own elaboration of the National Bank of Poland data

Given this important legal constraints, numbers concerning the origin of FDI coming to Poland should be interpreted with caution. In accumulated terms, major investors are Germany, France and Italy, as well as the USA. Nonetheless, gateway countries such as Luxembourg and Netherlands play

an important role, accounting for 27 per cent of the accumulated FDI stock. According to the official estimates, major investors in Poland consist of Luxembourg, Germany, Italy and Cyprus, Figure 13. Whereas Germany and Italy denote actual country of origin, Luxembourg and Cyprus are gateway countries, through which FDI from other, non-EU countries came.

3.2. Chinese investments in Poland

Official numbers concerning Chinese FDI to Poland amount to as low as €2 mln - €246 mln over the past 10 years. These values are extremely low as compared to the total value of Chinese FDI amounted to US\$366 billion globally and US\$24.5 billion in Europe (in 2011) (Zhang 2013). However, they do not reflect accurately the extent of engagement of the Chinese companies in Polish economy. In fact, just one of the TV factories located in Koszalin (Digital View Inc.) has consisted of investment amounting to nearly €34 million in only first year. Nuctech, having established one factory worth €25 million, planned to open another one, triple the size. Both these investments took place in a year, when aggregate FDI inflow to Poland from China amounted to €19 million. This suggests that the extent of using the gateway countries may be considerable in the case of Chinese FDI to Poland.

With reference to the industry composition, the FDI inflows of 2010 identifiable to China consist mostly of computers and electronics (27.5 per cent of total Chinese FDI to Poland) and trade (21.8 per cent of total Chinese FDI to Poland). These two sections dominated also in 2011 amounting to 48.6 per cent and 26.9 per cent of total Chinese FDI to Poland, respectively¹⁴. It should be noted, however, that these numbers may be misleading, as an unknown part of Chinese FDI to Poland comes *via* gateway countries. This observation is clearly consistent with analysis of Zhang (2013) who pointed that Luxembourg is the most important host country for Chinese FDI in Europe (around 37 per cent of the total European FDI) while hosting only 0.01 per cent of Chinese migrants.

4. Does diaspora matter? Chinese migration and FDI flows

The picture presented in previous section proves that analysis of links between Chinese diaspora and FDI flows to Poland needs to be conditional on the specific position of Chinese migrants in the country, particularly on the fact that Chinese diaspora is hardly existent. Thus, what might make sense in the Polish context is to look rather at the impacts (or potential impacts) of capital flows on migration process than vice versa. Following this line of reasoning, next two short sections discuss potential impacts of Chinese FDI on inflows of both unskilled and highly skilled migrants from China. The last one focuses on a clear case of endogenous investments undertaken by members of Chinese community in Poland.

4.1. Chinese FDI as a driver of mass migration

Answer to the question whether Chinese FDI can lead to a massive inflow of Chinese workers is highly conditional on the labour market conditions in Poland. The point is that while the *de nomine* difference in wages in Poland when compared to China is considerable, manual workers compensations usually do not exceed substantially a minimum wage level. Minimum wage legislation is relatively strictly enforced in Poland, which implies that any investor willing to lower employment costs by seeking cheaper labour force from its country of origin would need to comply with this requirement. Furthermore, legislation requires the employer to prove that adequate Polish workers are not available before the work permits for the foreigners are granted. While this legislation is not strongly enforced, majority of larger scale investment projects involve the engagement of the local authorities, who are interested in creating jobs

¹⁴ Data courtesy of the National Bank of Poland.

for their constituency. Consequently, there is a variety of stakeholders able to use formal constraints on employing foreign manual workers accompanying the FDIs.

Moreover, wages are still relatively low in Poland, when compared to the Western Europe. Majority of FDIs locating in CEECs establish their production sites to lower the transportation costs to the European Union. In the case of Poland relatively large size of the internal market is an additional driver. Business wise, employing local workers offers a sufficient cost advantage. Thus in most cases linking FDI activity with importing of foreign labour seems not to be the most efficient strategy.

Finally, depending on a sector, local workers may actually be more able than expats. COVEC constitutes one such example. COVEC (China National Overseas Engineering Corporation) is one of the largest Chinese companies operating in construction sector (world's third largest). It is a member enterprise of China Railway Engineering Corporation (CREC) – large scale construction company operating under the supervision of Chinese government. Observing large scale public infrastructure investment projects undertaken by the Polish government, COVEC has participated in a tender for road construction (two sections of the A2 highway for a cost of US\$450 million¹⁵). Having won the contract (in 2009), COVEC has realised that with the intensifying public investment, the subcontractors and suppliers are not able to satisfy the demand for services and raw materials¹⁶. These problems were common to all investors at that time, but local engineers and logistic specialists were able to at least partially by-pass the physical constraints. It seems that the COVEC's strategy was to employ local subcontractors and offer them far lower rates than the market ones. This strategy turned into complete failure. Under the circumstances COVEC, which largely relied on Chinese specialists, was unable to fulfil the contract and had to abandon the project, without settling with the subcontractors. In early May 2011 most of the Chinese workers did not return to work and machinery operations were suspended. A few weeks later COVEC suggested a new price around 70 per cent higher than the original bidding price but this was rejected by Polish government (and the whole issue ended in court).

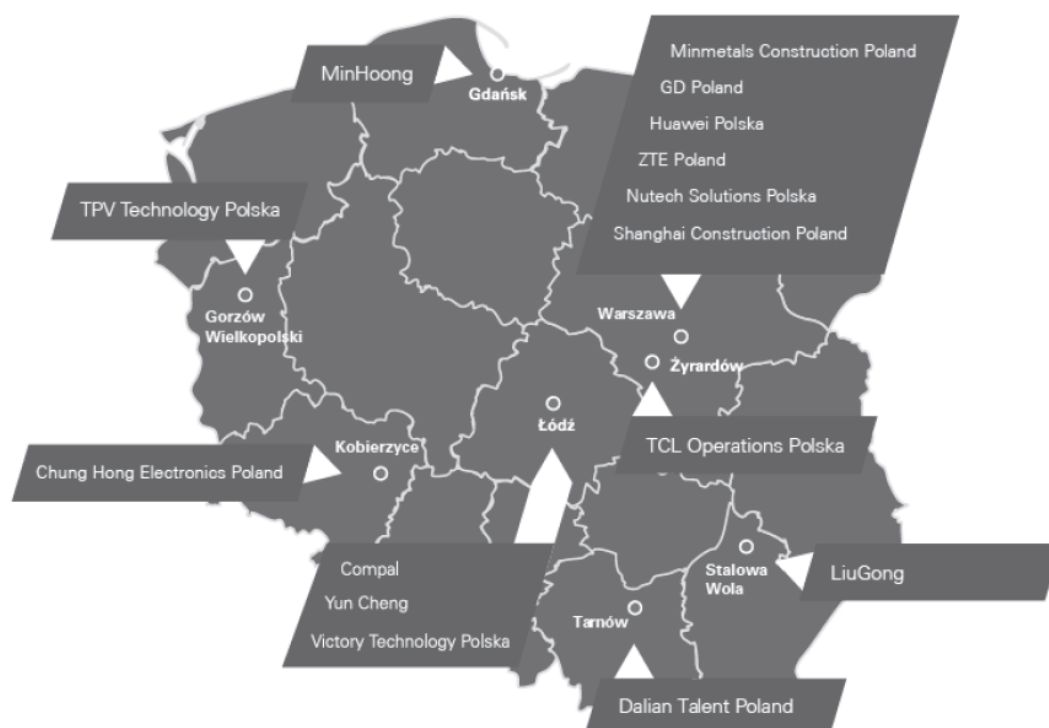
In purely speculative terms it is possible that positive example of COVEC might have impacted positively attitudes towards large-scale Chinese investments and also foster import of Chinese workers. On the contrary, COVEC's failure significantly impacted public perception of Chinese business activities in Poland.

4.2. Chinese FDI as a driver of highly skilled and managerial mobility

According to Piłat and Wysieńska (2012) spatial concentration of Chinese migrants in Poland is strictly correlated with Chinese FDI. Report presented by KMPG in 2011 (KMPG 2011) suggests that Chinese investments are concentrated in several Polish locations and those locations are becoming migration magnets for Chinese people. Obviously, large share of them constitute highly skilled migrants – managers and professionals, see section 3.4.

¹⁵ Importantly, price proposed was about half the costs estimated by the Polish government.

¹⁶ Reports by the government and by the industry representatives suggest, that the whole sector had problems in accessing concrete, asphalt, drainage channels, etc. Imports were infeasible, because the ability of the transport companies to relocate such heavy and voluminous cargo were already exhausted.

Figure 14. Chinese investment in Poland.

Source: KPMG 2011

However, due to data limitations – as shown in previous section – this hypothesis cannot be verified empirically. From the data presented in section 3.4 it follows that share of managers among Chinese labour migrants is twice as high as compared with Vietnamese (and much higher than in case of Ukrainian workers), Figure 8. At the same time there is a clear structural pattern visible with large numbers of Chinese workers employed in construction and industry. Nonetheless, there is no empirical evidence linking these patterns to investment activities of Chinese companies.

Another explanation for this phenomenon is related to the highly skilled migrants from China. Many investors prefer to delegate managerial and specialists positions to expats and Chinese FDI does not differ in this respect. However, majority of Chinese FDI occurs in relatively capital intensive industries, where the production workers require only small “human” supervision and management. For example, due to automatisaion a production line staffed mostly with Polish manual workers may require one manager at each shift. Production levels as well as more strategic decisions are taken at the HQ of the FDI sending company. So is research and design as well as financial management. This lowers substantially the scope for demand for the Chinese managers and experts.

On the other hand, the very fact that the Chinese diaspora is present in Poland generates need for ethnic services, which in the future may reinforce the originally minuscule effect (see next section).

4.3. Chinese investments as an endogenous process

Main aim of this section is to assess one particular case of Chinese investment activity in Poland which is strictly related to migration process and, in our opinion, may serve as an example of endogenous investment process conditional on presence of Chinese community. Parallel we will attempt to compare two important Asian communities in Poland: Chinese and Vietnamese immigrants.

As noted above, regarding the immigration from Asia, Vietnamese constitute the largest and the most visible migrant community in Poland. The history of their presence is longer and far richer than in the case of Chinese immigrants, who are definitely less numerous in Poland. Interestingly, migration researchers tend to compare Vietnamese community not with other Asian groups¹⁷ but with the Ukrainian one. This kind of comparison was marked by significant differences: different patterns of integration (in every dimension), different opportunity structure stemming from legal rules (privileges for Ukrainian nationals), different language and cultural distance influencing the potential for integration and, last but not least, different patterns of mobility (e.g. Grzymała-Kazłowska 2008). It could be assumed that fewer differences would be observed when comparing Vietnamese with Chinese migrants in Poland. With regard to sectors of activity Chinese, similarly to Vietnamese, are involved in trade and catering. However, Chinese's involvement in Polish economy is not limited to these two sectors, as it is (to a large extent) in the case of Vietnamese. Chinese are also significantly present in other sectors of economy (see section 3).

Although Vietnamese in Poland are treated as the best organized migrant community, which is visible through many formal and informal associations and organizations in these community (Piłat and Wysieńska 2012), Vietnamese seem to be acting more independently than the Chinese. However, this is rather the Chinese community which is more scattered in Poland. Chinese investments in Poland cover not only the trading centres, restaurants or ethnic services, like in case of Vietnamese, but also many other sectors. The advantage of Chinese in Poland, in economic terms, depends mostly on the size of investments and international business contacts. This feature is extremely important due to the fact that far more numerous Vietnamese communities in Poland became dependant on the Chinese, at least in the sector that is occupied by the majority of Vietnamese immigrants in Poland, namely trade in imported goods from Asia.

Migration and adaptation patterns of immigrants from Vietnam and China differ as well. Although both communities are strongly based on the collectivistic attitude, respect for elderly people, specific perception of the family, attachment to home country, mother tongue and culture, readiness to support families and co-ethnics, their functioning in Poland shows that there are many differences in how they find themselves in the receiving societies and how their relationships with others look like. Chinese, as those coming from the "Middle State"¹⁸ seem to treat others in a way that emphasizes their superiority. This does not allow them to establish close relationships with the representatives of either receiving society or, for instance, the Vietnamese community. Next, the majority of Chinese migrants in Poland are temporary migrants and it differs significantly from migration patterns of Vietnamese who declare to be in Poland only temporary, while establishing more and more ties to Poland and becoming settled migrants.

Both similarities and differences are particularly well identifiable in such places that concentrate migrants from both ethnic groups. One of the most known cases of such concentration is the huge trading centre, or to be more precise - wholesale market, in Wólka Kosowska near Warsaw¹⁹. It concentrates mostly Chinese and Vietnamese entrepreneurs, but also Polish, Turkish and Indian ones.

¹⁷ Other than Chinese or Vietnamese groups are subject of the study on Turkish, Pakistani, Armenian and Indian migrants in Poland, conducted by the Institute of Public Affairs in 2012-2013, see: <http://www.isp.org.pl/ygiel-kulturowy-czy-getta-narodowosciowe-wzory-integracji-i-wzajemne-relacje-imigrantow-z-azji-i-bli,688.html>, accessed on 14 May 2013).

¹⁸ Although the tradition of treating others as Barbarians is much weaker, still treating China as the centre of the world determines the mentality of both non-migrants and emigrants from China, including those who came to Poland. See Tomala 2001.

¹⁹ Information regarding Chinese migrants functioning within the trading centres in Wólka Kosowska are based on the results of the study focused on migrants' economic institutions and their influence on the local community as a part of a wider project titled "Różni, ale równi - badania nad równym traktowaniem migrantów w Polsce" ("Different, but equal - the study on treatment of migrants in Poland"), conducted by Stowarzyszenie Interwencji Prawnej (Association for Legal Intervention) and Instytut Spraw Publicznych (Institute of Public Affairs) in 2012. For more information about the study and main results refer to Kłerek and Szulecka 2013.

The fact that large numbers of representatives of several national groups meet there does not mean that there is interethnic communication that would relate to other things than the business issues. National groups, including Chinese, limit their social contacts to co-ethnics. Although in Poland there are many other places that concentrate lower numbers of Chinese traders (e.g. in Jaworzno, where only Chinese entrepreneurs act next to less numerous Polish traders), the trading centre in the village being the suburbs of Warsaw, in Wólka Kosowska, constitutes a perfect place to be studied in several contexts regarding Chinese diaspora, including types of economic activity, interethnic relations, relations with local authorities, motivation to learn Polish legal, economic and social norms, culture, language, and the role played in the wholesale market offering imported goods from Asia. The situation observed in Wólka Kosowska may reveal many features of Chinese migration to Poland in general and its linkages to investment activities.

Wólka Kosowska is a small village situated about 30 kilometers from the centre of Warsaw. In the 2000s it became famous not only in Poland, but also in the CEE region because of the establishment of large trading centre. The first market halls were built by the Chinese investors (GD Poland company) in mid 1990s. Other halls were built few years later, at the beginning of the 2000s, by other foreign investors, mainly Vietnamese and Turkish immigrants. Although currently, the complex of market halls is owned by several national groups, these are the Chinese who established the trading centre and still have significant shares in it, ruling the conditions of trading space for rent or offering goods to be sold in wholesale or retail trade. Interestingly, already in mid-1990s Chinese businessmen chose the agricultural area near Warsaw to build there large market halls, supposed to serve mainly wholesale purposes and to become the centre of wholesale trade of goods imported from Asia (mainly from China) in the region. And their vision of the future of this locality in Wólka Kosowska is claimed to be very accurate, which according to some businessmen from the trading centre in Wólka Kosowska is not surprising, since Chinese are treated as those who carefully study the conditions for possible investments and very rarely make mistakes²⁰. In the early 2000s Vietnamese and Turkish investors, following the Chinese investment, found this locality as perfect for further business development. The appearance of other foreign investments in Wólka Kosowska was to some extent linked to the more and more real perspective of closing the main open-air market located in the area of the 10th Anniversary Stadium in the centre of Warsaw ('Jarmark Europa'), which for several years constituted the place of work for many migrant salespeople, starting from small retail traders to very influential businessmen, owning various businesses often linked to both trade and catering.

As it was already indicated, representatives of other migrant communities (especially the Vietnamese one) perceive the Chinese' choices as a guarantee of success and often follow them in business terms. Moreover, these are the Chinese who have the best contacts and opportunity to import directly from China, which facilitates their trading activity and causes that other migrant traders become dependent on them. Thus, in practice Chinese may dictate terms and conditions of cooperation. And this is mainly due to direct contacts in China and knowledge about the manufacturing process there. Their position in the trading centre in Wólka Kosowska seems to be more advantageous than the position of other migrants. This also causes that the Chinese investments in trade attract other Chinese investors or workers, not only those interested in wholesale, but also those who plan to operate in other sectors, e.g. in real estate. However, admission policy, in particular obtaining visas, sometimes occurs to constitute a significant barrier on the way to Poland, where other Chinese migrants already reside (often temporarily) and do their business or work in Poland. Nevertheless, still Chinese migrants own large part of the whole market in Wólka Kosowska, which means that hiring trading boxes is also ruled and valued by them. In business relation they are not focused on cooperation with co-ethnics only. They offer their services and trading space for rental to anyone who can afford to run one's own trading company in Wólka Kosowska.

²⁰ Opinion provided by Vietnamese entrepreneur functioning in Wólka Kosowska for over a dozen years now.

The main Chinese investment in Wólka Kosowska is the "GD Poland Investments Ltd", often called Chinese Trade Center. It is presented by the company, as "the largest distribution location of goods and merchandises from China and entire Asia and it is at the same time the greatest Chinese investment in the region. The investment reached over 50 million USD and is situated on 200 thousands sq. meter yard"²¹. The centre consists of 6 trading buildings, 3 warehouses and a hotel for people renting trading boxes in the centre or clients coming from distant places. The premises of the centre serve not only trading purposes. There are many additional services available in GD centre, namely bank office, exchange offices, restaurants, grocery shops, legal and tax advisory offices, post office. In general the offer of the sellers (mostly wholesale traders) in the GD halls includes clothes, shoes, accessories, small electronics and AGD appliances, fancy goods (also original Asian food is available in the centre). To emphasise the role and significance of this investment, the GD company presents the trading centre as "beyond competition in this craft", stating that the centre "is visited by the customers from all over Poland and neighboring countries as well. Networks of hypermarkets like Auchan, Geant and Carrefour also do some shopping here"²². In this way, the Chinese investors try to dispel the myth that hypermarkets are threats for such trading centres, at the same time inviting people to shop in Wólka Kosowska, which will be cheaper than shopping in the hypermarkets. Nevertheless, the character of the GD trading centre in Wólka Kosowska is based on wholesale, which means the centre is not a real alternative for retail buyers. For such people Chinese have another offer: numerous small Chinese markets in many Polish towns and even villages, especially in the regions considered as less wealthy (Eastern and Southern part of the country).

In the qualitative study (Klorek and Szulecka 2013) it was confirmed that the fact that many Chinese run their businesses or work as hired employees in the trading centre cause that specific services, targeted at the Chinese, became available in the surroundings. For instance, Chinese enjoy gambling: they play cards, use slot machines or visit casinos. One of the Warsaw's casinos is located in Janki, on the way from Warsaw to Wólka Kosowska, and part of its personnel constitute Chinese. It is possible to have the driving lessons in Chinese in the neighbourhood of Wólka Kosowska. Chinese may me also provided with translation services, although the demand for them seems to be bigger than the current supply. Importantly, many services advertised in the area of the trading centre are presented also in Chinese. This shows that the presence of Chinese contributed to the development of services that are aimed at satisfying not only social needs (restaurants, casinos), but also needs that will improve the conditions of daily routines, such as work, commuting, taking care of children and housekeeping. Thus we have to do with a very interesting case: the first impulse was given by Chinese investment, at the moment the presence of growing Chinese community attract investors from China and from other countries. The impact of diaspora is clear in this case.

In the area of Wólka Kosowska, Chinese invested not only in the trading halls. They also built luxury housing, which constitutes now the place of living for those well-to-do immigrants. To some extent buying a house in such area could be seen as a form of another investment, since it happens that part of the houses or other premises (e.g. a garage) are used to accommodate co-ethnics who are newcomers and have to start their living in Poland being dependant on those who are wealthier and more familiar with the economic reality in Poland. Such practices constitute a kind of an incentive for the newcomers, who would not decide to come to a foreign country if they were not convinced that they would get support from co-ethnics.

In terms of adaptation / integration Chinese are rather distanced towards the receiving society and other immigrant communities. The relations established by Chinese immigrants in Wólka Kosowska are mostly based on economic ties, and these are usually Chinese who rule these contacts due to their better access to goods produced in China. The relations with another Asian community, namely Vietnamese who are claimed to be still more numerous than the Chinese in Wólka Kosowska, are

²¹ The website of the GD company: <http://www.gdpoland.pl/en/onas.php> (accessed on 20.02.2013)

²² The website of the GD company: <http://www.gdpoland.pl/index.php> (accessed on 20.02.2013).

perceived as strained. Although with regard to business matters, they have to communicate with each other, even if they are not interested in establishing more social contacts. It happens, however, that in order to maintain positive business relations, Chinese and Vietnamese invite each other to social events, such as wedding or special dinners for business partners. It is of note that this is often basic Polish which constitutes the language of their communication. In general, however, Chinese are not eager to learn Polish. They treat this country or even this specific place as only temporary place of residence, which will change immediately if staying in this concrete location becomes no more profitable. In that sense, Chinese are claimed to be very mobile, not focused on establishing stronger ties with the receiving community. As representatives of the receiving society claim, Chinese are convinced that their tongue should be learnt by others rather than they should learn the language of the receiving society.

Often, Chinese are seen as people who express their superiority in various aspects of life. For instance, this refers to mixed marriages or sending children to schools. Importantly, those Chinese immigrants who can afford this, send their children to American or British schools in Poland, which causes that still there are no opportunities for the children to learn Polish language. However, on the level of relations between those who have a kind of power and influence (e.g. owners of GD company and local government) the situations looks differently. Chinese investors show their interest in improving various aspects of the local area, and even invest in local infrastructure. According to information acquired in the course of qualitative studies (Klorek and Szulecka 2013) Chinese community concentrated in the suburbs of Warsaw, comprises mostly economic migrants, single persons, without families. However, there are exceptions: mixed marriages and families with small children. Recently, a new multicultural kindergarten (called Panda) was opened in the area, and from the very beginning it was planned for Chinese and Vietnamese children²³.

Importantly, Chinese investments in trade in Poland are sometimes associated with an enormous threat to local economy and tax interests. Chinese are blamed of bankruptcy of small Polish entrepreneurs, "flooding" the market with cheap and low-quality goods produced in Asia. The way they operate in such places as trading centre in Wólka Kosowska, is associated with the informal economy and frauds. The sight of luxury goods (cars, mobile phones) possessed by Chinese migrants, even by "ordinary sellers" provoke negative comments among the members of the receiving society, who consider the way they acquire their capital as not fully honest. Although significant extent of informal operations may be probably observed in the economic activity of many Chinese migrants, it should be also emphasised that perceptions of Chinese migrants does not often involve any reflections referring to Asian culture, in which, for instance, the economic status is shown through such attributes as luxury goods (vehicles, clothing, communication devices) and business is based on many informal arrangements and negotiations (see, e.g., Klorek and Szulecka 2013, Żabowska 2012).

In terms of migration strategies Chinese do not treat Poland as an attractive destination country. Rather, they plan to return to China as soon as they accumulate satisfactory capital in Poland (or in any other country of the EU) (Klorek and Szulecka 2013). Additionally, opposite to Vietnamese, their declarations about return are more likely to become reality. The fact that Chinese parents send their children to British or American schools in Poland or to study abroad also shows that this is not the return to China, which is the main aim of immigrants who are currently in Poland. The choice is however the "luxury" of those who can afford to be independent and have stable sources of income to support themselves and their families, often being still in the home country. Individual strategies of less wealthy Chinese migrants differ significantly from the strategies of more influential investors. Despite the crisis, businessmen still have plans how to occupy next positions in the market of

²³ Although the owners expected that foreigners would be more interested in sending children to this educational unit, the effects were not much satisfactory at the beginning. Nonetheless, the owners still see the Chinese as the main immigrant community in Wólka Kosowska and even consider learning Chinese themselves, treating this as prospective investment. On the contrary, as it was mentioned earlier, Chinese in Poland do not see the need to invest time and money to learn Polish.

wholesale and retail trade. Some Chinese see that consumers appreciate low prices offered in the Chinese markets, appearing in more and more locations in Poland, and respond to this accordingly. As the observation in Wólka Kosowska showed, Chinese running their own smaller businesses notice and experience the competition and try to create more and more attractive conditions of trading operations. Nonetheless, they will put efforts in improving their economic situation through entrepreneurship or work in Poland as long as they see it profitable. Supposedly, Chinese operating in Wólka Kosowska will increase their dominance over other national groups, even if Chinese stay less numerous. However, their success is also dependent on the presence and entrepreneurial activities of other groups, including mostly Vietnamese.

5. Conclusions

Growing FDI activity of Chinese companies together with increase in Chinese international mobility raises important question about linkages between these two processes. In this paper we aimed at referring to this issue but it was clear that the answer is conditional on data availability (quality) and very nature of this process itself.

Data suggests that while both FDI and migration from China to Poland is growing, it is still a phenomenon of relatively limited scale. Some past experiences suggest that there are some industries where FDI will continue to grow, perhaps fostering the migration processes as well. Such investment projects create jobs locally, partly for the Polish workers and from a perspective of a local community contribute significantly to the local economy. Case of Wolka Kosowska presented in this report (section 4.3) constitutes one of such examples. On the opposite case of COVEC shows that Chinese business strategies do not necessarily fit European reality and they can impact negatively both future capital and labour flows.

On the other hand, a large proportion of the Chinese migrants to Poland work as ethnic entrepreneurs, occupied in either trading or gastronomy. While these inflows contribute to expanding ethnic diversity in Poland, they were not large enough to affect aggregate scale processes. Again case of Wolka Kosowska shows that presence of growing Chinese community can easily induce endogenous investment processes and lead to perpetuation of both Chinese investments and immigration. Due to extraordinary changes in migration dynamics observed in recent years Poland is thus to be perceived as a very attractive field to trace development of Chinese diaspora (and its impacts on business activities).

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