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# Employers, Informality, and Migrant Precarity in Poland's Farm-to-Fork Sectors

## Labour Market Drivers, Structural Effects, and Worker Vulnerabilities

WP6 Country Report – Poland

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## Abstract

This paper examines employers' practices across the food supply chain and their implications for formal and informal employment among migrant workers in Poland. Focusing on F2F sectors, characterised by high migrant concentration and persistent informality, the study analyses how employers' strategies shape labour market segmentation, hiring decisions, and worker vulnerability. The analysis draws on a mixed-method design combining three data sources: a review of existing literature and statistical data, a 2025 survey of 300 small and medium-sized enterprises (SMEs), and two focus groups with sectoral experts, employer organisations, trade unions, and labour inspectors. Despite generally stable economic conditions, rising labour costs and limited competitiveness encourage reliance on flexible and cost-minimising employment arrangements. Migrant employment has expanded, driven primarily by labour shortages and native workers' declining willingness to accept low-paid or unstable jobs. Migrants, predominantly women from Ukraine, are concentrated in manual occupations and are more likely than natives to work under flexible, temporary, or civil-law contracts. While formally legal, these arrangements are frequently used to circumvent labour protections.

Indirect evidence points to widespread under-declaration of working hours and partial off-the-books payments, particularly in firms employing migrants and using temporary work agencies. Informality functions as a cost-reduction strategy for employers but increases migrants' economic and legal vulnerability, limiting access to social protection and long-term residence. Weak and fragmented enforcement allows these practices to persist. Recent regulatory reforms targeting temporary work agencies are viewed positively but insufficient without stronger coordination, shared liability, and improved information for both employers and migrant workers.

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## 1. Introduction

The DignityFIRM project focuses on economic sectors located across the entire food supply chain, including agriculture, breeding, food processing, catering and food delivery, referred to as F2F (Farm to Fork) sectors. This presence of migrant workers in these sectors in Europe is particularly high, as is the prevalence of informal employment (IOM 2024; ILO 2021). In Work Package no. 6 (WP6), we adopt the perspective of employers and investigate their business strategies relating to the employment of native and migrant workers, and the imposition of informal labour relationships on both native and foreign workers, or the maintenance of formal work relationships. As these strategies are not independent, we study all possible outcomes of employers' decisions, including employing natives formally and informally, and employing migrants (including irregular migrants) formally and informally. We define informality in the labour market broadly, to include all remunerative relationships that are not entirely or partially regulated by the state and that lack formal labour protections, contracts or social security coverage.

The objectives of WP6 are:

- to identify and assess the main labour market-related conditions, policies and actors that drive the informality of migrant labour in the F2F sectors in the studied countries,
- to analyse and explain the structural effects of the presence of informal migrant workers on the employment in the F2F sectors;
- to assess the consequences of migrants' informal labour market status on their precarious situation (defined in various dimensions).

This national report for Poland summarises the results of research activities conducted within WP6. When planning WP6 research activities, our line of reasoning was as follows; the starting point of our considerations was the scale of migrant employment in the studied sectors and its determinants, that is, the motivations of employers to employ migrant workers (demand-driven migrant employment), the labour market segmentation and skill shortages (supply-driven migrant employment), and other factors, such as employers' non-economic preferences towards migrants or informality, tax morality of employers, and inefficient law enforcement. Investigating employers' decisions led us to a broader phenomenon of work substitution, that is, the possibility of replacing native workers with migrants and vice versa, or the possibility

of replacing work with automation or work relations with service outsourcing (through temporary work agencies). Considering the heterogeneity of labour, we asked also about the potential for complementarity between natives and migrants, whereby both types of workers complement each other in terms of skills and are thus equally indispensable to the production processes. Additional issues that we studied included employers' recruitment strategies, the characteristics of positions and posts occupied by migrants, and the scale, forms and determinants of the informal employment among both migrant and native workers. Finally, we analysed the economic, legal and social vulnerabilities of migrant workers that are related to informal employment, as well as the importance of regulatory frameworks (both actual and potential) in counteracting precariousness among the informally employed.

What follows is a presentation of the data sources (section 2) and main results of our study (section 3), which are disaggregated into the following five categories: – The broad context of migrant employment in Poland; – The overall economic situation in three selected F2F sectors; – The scale and determinants of migrant employment; – The scale and determinants of informal employment; and – Labour market vulnerabilities and the importance of regulatory frameworks. The report concludes with a brief summary.

## 2. Data

This report is based on three data sources. Firstly, we conducted an extensive review of existing studies on migrant and informal employment in Poland, complemented by up-to-date, publicly available statistical data, particularly national statistics on the labour market and work and stay permits. The objective of this review was to provide key information for the next stage of the research (an employers' survey), including a list of policies, structural factors related to migrant employment, as well as selected statistical data on labour migration and labour market characteristics relating to informal work in Poland and in the F2F sector.

Secondly, in March–April 2025 we conducted a survey among 300 employers from three selected F2F sectors related to food production in Poland:

- agriculture (the codes according to the EU NACE classification, rev. 2: A01 and A03, except A01.15, that is, agriculture and fishing, except tobacco cultivation),
- catering (I56, gastronomy), and
- food processing (C10 except C10.9, food processing, except for the production of feed and animal food).

The survey included small and medium-sized private enterprises, i.e. enterprises with between 1 and 49 employees. The CATI interviews were conducted with business owners, their representatives responsible for managing the company or representatives of human resources departments responsible for recruiting and managing employees.

Thirdly, two focus groups were organised with experts from two selected F2F sectors: catering (8 participants, June 2025) and food industry (10 participants, September 2025). These groups included representatives of employers' associations of the respective sectors, trade unions, law firms specialising in labour migration, the regional labour inspectorate, and an economic research institute. The focus groups aimed to validate the results of the survey, and gain a deeper understanding of broadly defined vulnerabilities of migrant workers working informally. They also aimed to discuss the actual regulatory framework for labour market vulnerabilities and consider possible regulatory frameworks that could address these vulnerabilities.

The results of the extensive review based on secondary data are presented separately in Section 3.1, while the results of the survey and focus groups (Sections 3.2-5) are presented together.

## 3. Results

### 3.1 Migrant employment and informal employment in Poland

Studying employers' strategies with regard to migrant employment is particularly relevant for Poland, where labour migration has increased rapidly in terms of both new inflows and cumulative numbers over the last two decades. Agriculture is often considered a gateway to the Polish labour market due to the simplified employment procedure, implemented in 2006 for seasonal work in agriculture and later extended

to other sectors and long-term (up to 2 years) employment. This procedure allows nationals of Ukraine and other Eastern Partnership countries (Armenia, Belarus, Georgia, Moldova) to enter Poland and undertake employment based solely on employers' declarations of intent to entrust work. Other procedures for entering and working in Poland include the status of temporary protection for Ukrainian nationals, work permits for the industry, construction, transport and services sectors; seasonal work permits for agriculture; participating in the 'Poland. Business Harbour' programme for highly skilled IT sector migrants and their families (operating from September 2020 to February 2024); and a student visa that allows migrants to work.

In the F2F sector, employment under the facilitated procedure is the most frequently used in sectors such as agriculture, food industry, accommodation and catering, whereas work permits are normally used only in accommodation and catering. Seasonal work permits apply only to agriculture and accommodation and catering by definition. According to the statistics provided by the Ministry of Family, Labour and Social Policy (2024), in terms of numbers of migrants, the facilitated procedure remains the most important, with 506,500 registered declarations (384,000 foreign citizens) in 2023, therein 74,000 (15%) were issued for the administration and support services sector (which includes temporary work agencies and consequently, some agricultural occupations, but no further distinction is possible), 116,000 (22%) for manufacturing (no disaggregation into the food industry is available), 16,000 (3%) for accommodation and catering sector, and 7,000 (1%) for agriculture. The number of work permits declined from 400,000 in 2020 to 320,000 in 2023, therein 17,000 (5%) for the accommodation and catering sectors, and 4,000 (1%) for agriculture, fishing and forestry. In 2023, 15,800 (97%) of seasonal permits were issued in the agricultural sector, and the remaining 500 permits (3%) for the accommodation and catering sector. Since 2022, the numbers of employment declarations, work permits and seasonal work permits have been decreasing because Ukrainian nationals were entitled full access to the labour market and the length of their stay based on work permit was increased to 24 months. In 2023, 1,08 million notifications of entrusting work to a Ukrainian from Polish businesses were registered. This number was 1 million in 2024 and 490 thous. in the first six months of 2025. According to a survey of Spring 2024 (Dudek et al. 2024), 68% Ukrainian war migrants were economically active, of them 9% were employed in catering and 4% in agriculture. As for Ukrainian nationals who resided in Poland before the war and not under the seasonal employment

scheme, 94% of them were employed or self-employed, with 5% employment in catering and 3% in agriculture. The rough estimate of Ukrainian nationals (arrived before or after the outbreak of the war) employed in two sectors: agriculture and catering, translates currently into 100-180 thous. persons.

In Poland, informal employment in the form of ‘under-the-table payments’ (where the full remuneration is not declared) is socially accepted. According to a survey conducted by the Polish Economic Institute (2023), the percentage of employees receiving part of their remuneration outside the official records ranged from 8 to 12% between 2015 and 2021. The study also found that 20% of respondents would like to receive part of their remuneration unofficially if it meant they would receive a salary higher by the equivalent of 25 Euros. According to the Labour Force Survey, 2% of respondents (equivalent to 342 thousand employed individuals) reported having worked informally at least once in 2022, with the most common informal activities being gardening and farming (CSO 2023).

Information on informal employment of migrant workers in Poland is scarce. It is reasonable to expect that the ‘secondary’ sector with its informal employment practices may apply in the first place to agriculture and food delivery platforms due to the prevalence of non-standard employment arrangements via intermediaries. In agriculture, most employment takes place through temporary work agencies, with migrants being often employed in violation of applicable regulations, entirely or partially on informal basis. In turn, food delivery platforms operate through many intermediating companies that ‘rent bikes / scooters’ in exchange for commission and paperwork. Our studies within DignityFIRM Work Package no. 5 demonstrated that some intermediaries cooperate even migrants with irregular status. Less is known about catering and other F2F sectors in this regard.

The results of controls carried out by the State Labour Inspectorate (SLI) may shed some light on informal employment of migrants, even though the Inspectorate is not authorised to verify alone the legality of employment in individual farms. In 2022, the SLI (State Labour Inspectorate 2023) revealed that 13% (5,183) of migrant workers inspected were employed informally (compared to 17% in 2021). Among those employed under the facilitated procedure, the proportion was 15%; among those with a seasonal work permit, it was 4%. In half of the cases (55%), the reason for

informality was a lack of a work permit. This occurs, for example, when an employer does not register employment with the local labour office within two weeks, or when the actual working conditions differ from those declared, for instance with regard to working hours or job description. Lack of a work permit or irregular stay were marginal situations revealed during the SLI's controls. Importantly, informal migrant employment mostly took place in the administration sector, including temporary work agencies (29% of cases of migrant informal employment) and accommodation and catering (8%). SLI reports from recent years conclude that informal migrant employment is increasing because: 1) employers only declare employment based on the facilitated procedure when they are inspected, lying that the two-week trial period has not been completed; and 2) employers understate the number of hours worked. In addition, the reports negatively assess outsourcing agencies (temporary work agencies) that are not required to keep records of the employers they collaborate with. In 2022, one third of the agencies (of which only 46 were inspected) that recruit foreign citizens committed offences, most commonly failing to translate contracts, to sign contracts or to provide the required information about employment conditions to workers.

In what follows, we focus on the three F2F sectors: agriculture, catering and food processing, and we present the results of our survey and focus groups with regard to employment and informal employment.

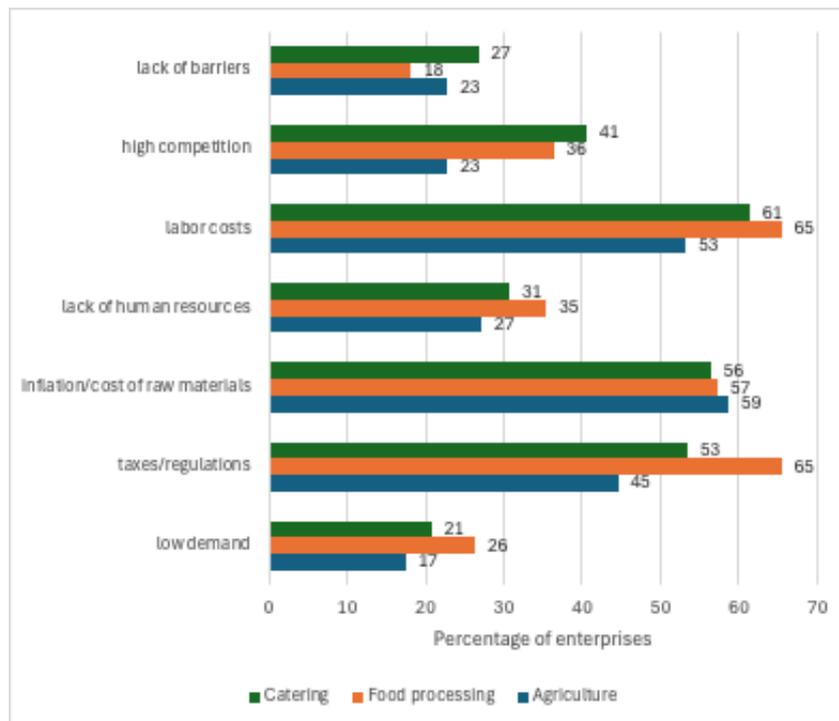
### **3.2 Overall conditions in the three F2F sectors under study**

In the employer survey, we asked respondents to describe the general situation of their companies in 2024 compared with the preceding year. The overall situation of the firms interviewed was assessed as good in all surveyed sectors. The percentage of firms experiencing rising turnover in 2024 ranged from 33% in the catering sector to 26% in agriculture, while the percentage of firms experiencing turnover similar to that registered in the previous year was around 37-38% in all sectors. Overall, one in four firms reported a decrease in turnover. At the same time, 83% of food processing firms and over 90% of agricultural and catering firms did not significantly increase their scale of operations or workforce size in 2024.

The majority of companies surveyed encountered relevant obstacles to conducting business. The percentage of firms that declared no such obstacles ranged from 18% in

food processing to 27% in catering (Figure 1). The main obstacles were cost-related, such as labour costs (selected by 53% of farms, 61% of bars and restaurants and 65% of food processing firms), as well as inflation and the cost of raw materials (affecting 56-59% of firms). Taxes and regulations were also significant impediments, particularly in food processing, where two out of three firms identified this as an obstacle. Lack of human resources was a lesser impediment to doing business: only 27% of farms, 31% of bars and restaurants, and 35% of food processing companies selected this obstacle.

Figure 1. The main obstacles to doing business by economic sector (in percent)



Source: Own elaboration based on DignityFIRM survey.

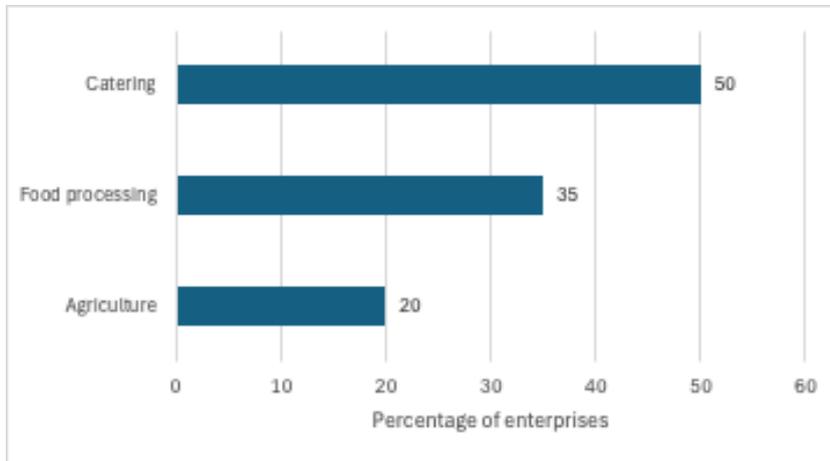
Comments made by participants in focus groups confirmed that, although the overall situation in the studied sectors remains relatively good, the operating context for companies is changing dynamically. Overall, increasing labour costs and wage expectations pose the greatest challenge to businesses, particularly smaller firms, which find it difficult to attract employees with competitive wages. As we shall discuss further, this results in informal employment being more prevalent in smaller firms. Catering has become a 'high-risk' sector since the outbreak of the Covid-19

pandemic, but also due to rising costs of maintaining catering premises. Lockdowns related to the pandemic have contributed to an exodus of entrepreneurs and specialists from the sector. Native workers started to avoid working in this ‘high-risk’ sector, particularly in small firms, where labour cost cutting is a necessity. The consequences of labour shortages are discussed in the next section in reference to the increase in migrant employment.

### 3.3 Migrant employment in the studied sectors

The percentage of enterprises that employed at least one migrant worker at any time in 2024, on any terms, ranged from 20% in agriculture to 50% in catering (Figure 2), depending on the sector surveyed. The majority of companies that employed migrant workers in 2024 employed up to four migrants. This finding is related to the overall size of the firms surveyed (not exceeding 49 employees). In three out of four surveyed firms that employed migrant workers, migrant workers were women. The vast majority (79%) of Polish companies with a migrant workforce selected Ukraine as the country of origin of their foreign employees. Other countries of origin included Belarus (5%), Georgia (4%) and Italy (2%). The most frequent documents used to employ migrant workers were work permits, contracts of service or temporary protection for the nationals of Ukraine. In focus groups, our respondents expressed their doubts about relatively low percentage of firms employing migrants. In their view, migrant employment is more frequent, especially in catering in large cities in Poland. The results concerning the dominance of females and Ukrainian nationals among migrant workers, as well as legal status were consistent with the observations of our respondents.

Figure 2. The percentage of enterprises employing at least one migrant worker (in percent)



Source: Own elaboration based on DignityFIRM survey.

According to the survey, migrants were primarily employed as skilled or unskilled manual workers. 67% and 69% of firms from all three sectors selected these positions, respectively. Skilled migrant employment was more prevalent in catering (74% of firms with a migrant workforce) and food processing (69%), compared to agriculture (44%). Conversely, unskilled migrant employment was more prevalent in agriculture (83%) and food processing (82%), compared to food service (54%). The majority of employers declared that labour costs were the same for migrants and national workers in such posts, a statement confirmed by participants in both focus groups. In food processing and food service, the majority of firms with a migrant workforce offered permanent, full-time employment to migrants. In agriculture, most employers relied on migrant workers on a seasonal and full-time basis. Migrant workers in agriculture and food processing worked standard hours, whereas in catering they worked both standard and non-standard hours. The recruitment of migrant workers takes place mostly through informal recommendations, mass media and social media, which, as interpreted by the experts from both focus groups, is typical of small and medium firms.

Focus group discussions revealed that the employment of migrants has increased rapidly in recent years. In the catering industry, Polish nationals are not applying for jobs, and even the best restaurants are lacking specialists. Due to temporary shortages, employers hire people with no prior experience of working in the catering industry. Ethnic bar and restaurant managers recruit workers through their own networks, even if it means bringing them from distant countries of origin and

providing on-site training. In a food processing company quoted by an expert, the percentage of migrant workers in manual roles has increased from approximately 10% to 80% in the last four years. Our experts agreed that this increase in migrant employment was due to a combination of factors, including population decline and ageing, a change in native (especially young) workers' aspirations that translated into moving away from manual jobs, and unusual wage dynamics following the end of the lockdowns related to the pandemic. These processes, together with the introduction of generous family allowances led to an increase in wage expectations. Small and medium firms, where only minimum wages are proposed, were the first to experience labour shortages. A large food-processing company addressed labour shortages in manual occupations by increasing wages and offering non-financial benefits. However, experts have pointed out that this was not an option for small and medium-sized firms, for whom labour costs are an important budgetary item and the easiest to cut. Additionally, non-financial benefits and job security are more appealing to older workers, whereas younger workers are more interested in wage rates and often choose to become self-employed.

In these circumstances, migrant workers from Eastern European countries, particularly Ukraine, were easily 'absorbed' into the sectors under study. This included migrants who arrived after the outbreak of full-scale war, most of whom found employment upon arrival and were willing to work. Migrant workers were ready to accept minimal wages and temporary, on-demand work. As one expert concluded, small and medium-sized enterprises did not need to improve their working conditions because foreign workers were readily available. Since salary remains the most important criterion for foreign workers when choosing a job, relatively easy access to the Polish labour market enables employers to replace Ukrainian workers with 'cheaper' migrants from East Asia or South America.

In survey, all companies, whether or not they employed foreign workers, were asked about their preferences regarding the nationality of a new employee in a hypothetical situation where they were hiring someone. In the three sectors studied together, the responses were evenly distributed between looking for native workers in the first place, and not considering the candidate's nationality. In the sectoral breakdown, around 60% of firms in agriculture and food processing and 44% in catering would look primarily for natives. All companies were asked about the potential reasons for

hiring foreign workers instead of native ones. Altogether, 55% of respondents did not identify any particular reason for employing foreign workers. However, respondents were allowed to select an unlimited number of reasons for hiring migrant workers in their companies: the most frequently indicated reasons were the limited number of native workers willing to apply for jobs (30%) and the fact that foreigners accept employment in more flexible forms (16%). Almost every second respondent admitted to plan or to having considered hiring a foreigner in 2025.

In the focus group, flexible employment appeared to be an important argument for having recourse to migrant labour, particularly in small and medium-sized enterprises. Polish employees are less willing to accept the employment based on civil law contracts or business-to-business (B2B) arrangements, at least in the studied sectors, partly because many of them have mortgage loans. One expert from the catering sector mentioned that migrants are rarely offered permanent contracts, with employers instead preferring short-term civil law contracts which are usually short-term and, by definition, do not provide employment protection. According to the respondent, some migrants prefer civil law contracts because they are more profitable financially and allow for unlimited overtime. Another expert stated that migrant workers in large catering enterprises either have permanent contracts or are employed through temporary work agencies for special events. According to an expert, most staff working in medium-sized catering establishments, such as cooks and waiters, are employed through temporary employment agencies or B2B arrangements. These workers are often recruited for short-term contracts, but also for positions requiring specific skills or hazardous professions that national workers would avoid. We shall come back to the role of intermediaries; for now, we emphasise that short, on-demand (civil law or B2B) contracts provide flexibility, enabling small and medium-sized firms to adapt their employment levels in response to seasonal or business cycle-related needs. The flexibility results also from the fact that these contracts are not subject to collective dismissal procedures.

To summarise, in recent years migrant employment increased significantly in the studied sectors, especially in manual jobs, and the main reason for that was rising wage expectations of national workers. In view of participants of the focus groups, the potential of replacement (substitution) of native workers by migrant labour depends entirely on characteristics of the job, particularly the skill requirements and

the geographical location. If a company offers administrative work, migrants who have learnt Polish are considered for such posts. In regions suffering from acute labour shortages, migrants could provide an alternative workforce, but the scale of migration to these areas is insufficient. As already mentioned, our experts confirmed that in large enterprises the wage conditions and non-financial benefits are offered equally to native and migrant workers, even in manual positions. However, in small and medium enterprises managers keep wages low and have recourse to civil law contracts and/or temporary work agencies, which discourages national workers and, in general, contributes to a general decline in the quality of labour relations.

According to the survey, every fourth company in catering, and 38–39% of companies in the remaining two sectors introduced in the years 2022–2024 technological innovations that enabled work automation. In focus groups, we asked about the potential for automating work through the introduction of robots and new technologies. Our respondents stated that, in general, labour shortages are the main incentive for enterprises to introduce robots. However, while large enterprises may invest in new technologies – and are often required to do so as sub-entities of global corporations – local firms have neither the means nor the obligation to do so. Also, the return on investment is different for large companies compared to small and medium-sized enterprises. This does not necessarily mean that small and medium enterprises have no possibility of automating work; in catering, there is a noticeable trend towards preparing meals from ready-made semi-finished products, or installing machines for peeling and shredding vegetables. Meal distribution is also becoming increasingly automated, although to a lesser extent than meal preparation. An increasing number of bars and restaurants now use apps or tablets for taking and collecting orders, which saves work and does not require a good knowledge of Polish. It is no coincidence that bars with Ukrainian waiters were the first to introduce QR code order placement. In summary, the main reasons for automating work evoked by our respondents were labour costs, labour shortages, and the reliability of new technologies, particularly when service staff have limited Polish language skills.

[tutaj pomijam wyniki sondażu, że główną przeszkodą do zatrudniania migrantów jest nieznajomość polskiego – ale mogę dodać]

### 3.4 Informal employment in the studied sectors

In our survey, several questions directly or indirectly concerned different types of informal employment. When asked directly about informal employment in their firms, our respondents incidentally reported such practices: less than 4% of firms admitted that none or some of their foreign employees do not have health insurance in Poland, and around 6% of firms admitted that an employee started working before all formalities were fulfilled. In the experimental section of the survey, respondents were indirectly asked about the prevalence of informal employment or propensity of such practice in hypothetical situations. The results demonstrate that informal employment does exist within the firms studied, and that this practice is more prevalent in firms that employ foreigners than those that employ exclusively Polish workers. When asked about hypothetical situations, respondents tended to prefer legal to informal employment, but this preference was stronger with regard to Polish employees than foreign ones.

In the focus groups, our experts emphasised that there are various types of informal employment practices, the most common being under-declaration of working hours. Informal employment practices are considered to be more prevalent in agriculture and catering than in food processing. In large enterprises, which were not included in the survey, informality is minimised and may occur incidentally during special events when companies collaborate with temporary work agencies. The smaller the firm, the greater the risk of informality, since not declaring social security contributions is one of the easiest ways to reduce costs. In view of our respondents, some employers consider the costs of potential fines incurred during inspections to be part of their operating costs. The business strategy of declaring only a few hours of work per month has become very prevalent. As a result, employment offices have become increasingly suspicious and are requesting that the Labour Inspectorate carries out inspections in such enterprises. All in all, it is the cost aspect rather than the lack of legal status that is the main driver of the informal employment of migrants.

Temporary work agencies were considered to be the main ‘hotspots’ of informal employment practices. As already demonstrated, the main employers’ motive to collaborate with temporary work agencies was to recruit workers on demand. One of the focus group participants argued that employers choose agencies that offer the lowest prices and do not take the co-responsibility for ensuring compliant working

conditions. This is one of the reasons why temporary work agencies compete on price, save costs by resorting to under-declaring working hours, offer salaries that do not exceed the minimum wage, and exploit civil law contracts or B2B arrangements in situations that resemble an employment relationship. Under-declaration of working hours takes many forms. It is typical to declare a few hours, e.g. 8 hours, per month. One respondent recalled a highly publicised case involving the Polish branch of a global corporation – not in the F2F sector – that collaborated with a temporary work agency to employ cleaning migrant workers. These workers received their salary in two bank transfers: one very small amount for a few hours' work and a much larger amount as social aid. Intermediaries exploit civil law contracts or B2B arrangements and around 70–80% of migrants employed through temporary employment agencies have civil law contracts, according to the respondent with insight into the labour market beyond the studied sectors. Another non-compliance relates to work safety; the regulations on temporary work stipulate a maximum work period (18 months within 3 years), which agencies routinely exceed. The regulations also prohibit temporary employment in hazardous positions, which are very often assigned to agencies' workers.

Temporary work agencies are rarely held responsible for non-compliant employment conditions. From the customer's perspective, managers of even large enterprises cannot force temporary work agencies to present all the documents that certify the legality of employment, as well as all the other documents that are required to work in the food sector. Agencies sometimes withdraw from cooperation when they hear that these documents will be verified. Another respondent claimed that large enterprises cannot afford to risk their image by engaging in informal relations, and for this reason do not collaborate with temporary work agencies. However, small and medium enterprises do not necessarily have a choice. The link between informal employment practices and temporary working agencies explains the results from the survey experiment, in which informal employment appeared to be more prevalent in firms that employ foreigners, which predominantly takes place via intermediaries, than those that employ exclusively Polish workers. From the perspective of migrants, workers do not necessarily know who their employers are and often consider the service recipient, such as a restaurant or hotel, to be their employer. This is because intermediaries often set up chains of agencies that delegate recruitment and employment services further down the line. This lack of transparency also hinders the

work of labour inspectors, particularly when unfair agencies change or provide fictitious addresses, or even close down.

### **3.5 Labour market vulnerabilities of workers and the importance of regulatory frameworks**

The consequences of informal employment for migrant workers were discussed only during the focus groups. Our respondents emphasised that migrants have a wide range of attitudes towards their employment status: some are aware that they are working (either partially or entirely) informally, while others might have not been informed about it; some are content with this form of employment, while others are not. Generally speaking, migrants prefer to have at least some of their employment declared rather than work entirely informally. In some cases, informal employment is a result of family strategies, in which one spouse work formally and provides social insurance to all family members, while the other works informally, thus having a higher remuneration. Some migrants, especially those who arrived in Poland relatively recently, prefer informal (under-declared) work or employment based on civil law contracts for financial reasons. These individuals seek to earn as much as possible in the shortest timeframe, as they remit funds and/or plan to return to their country of origin. Sometimes, migrant workers do not even want to enter into a permanent employment contract. However, this strategy is not feasible in the long term, not only because migrants' needs evolve (a worker requires assurance in the event of an accident, illness, pregnancy or retirement), but also because migrants need to legalise their stay in Poland. As one respondent claimed, legalisation of stay is increasingly based solely on information about earnings and income tax contributions derived from the Social Insurance Institution. Consequently, migrants who have not declared the minimum salary, or whose income comes from undeclared company profits on which no tax has been paid, cannot obtain long-term stay documents. These documents might also be refused if the wage rate or the number of working hours have changed since initial stay permit was issued. In terms of labour control, migrant workers who are employed informally may face fines and be required to leave Poland, as well as being banned from re-entering Poland and other Schengen countries.

All focus group participants stressed that migrant workers and their employers are often not aware that under-declaring working hours hinders obtaining long-term stay

documents. Small and medium-sized enterprises do not use the services of consulting or law firms, and public information should be, according to our respondents, more extensive and better accessible. According to a respondent from a regional labour inspectorate, around 20–25% of all complaints are made by migrant workers, primarily Ukrainian nationals, who, thanks to their longer stays in Poland, are better informed than other migrant workers. In such instances, the labour inspectorate strives to act as a mediator, informing employers of the potential penalties they may face and ordering them to regularise the employment relationship. However, if the labour inspectorate reveals undeclared work or the abuse of a civil law contract and refers the case to court, it will be dismissed if the foreign worker admits that they were aware of the nature of the work arrangement. The planned amendment to the Labour Inspectorate Act stipulates that previous civil law contracts should be converted into employment contracts if they demonstrate the characteristics of permanent employment. However, in our respondent's view, such transformations are unlikely to occur on a mass scale if both parties to the employment relationship (employers and employees) were aware of the terms of the contract.

Unfair practices by temporary work agencies are another issue that could be addressed by a regulatory framework. As previously mentioned, intermediaries are rarely held accountable by the labour inspectorate, their customers or migrant workers for non-compliant employment practices. New regulations stipulate that only temporary work agencies that have operated in accordance with the law for at least two years will be permitted to employ migrant workers. According to our respondents, this has led to the creation of a number of new agencies that were not necessarily fair and came into existence before the regulations came into force. However, this was a temporary effect, whereas the long-term effect of the new regulations is expected to be positive. One focus group participant stressed that there is already a law regulating the activities of temporary work agencies. However, this law needs to be enforced more effectively, and customers of these agencies should be held responsible for ensuring that employment relationships comply with the law. Firms' managers should verify work contracts and other documents, either randomly or systematically. Other respondents argued that managers would not act against their own interests by not recruiting employees and would not want to perform additional administrative work. One solution would be to impose sanctions on temporary work agencies and their customers.

## 4. Conclusions

The study examined employers' strategies toward migrant and informal employment in Poland's agriculture, catering, and food processing sectors. Findings indicate that rising labour costs and persistent shortages of native workers, particularly in catering, have led to a greater reliance on migrant workers. Ukrainian nationals, predominantly women, constituted the majority of the migrant workforce and were typically employed in low-skilled or manual positions through formal and semi-formal arrangements. Although the survey of firms' representatives demonstrated a preference for legal employment arrangements among employers, experts who participated in two focus groups confirmed that informal employment remains widespread in the studied sectors, particularly in smaller firms. The most common forms of informality are under-declaration of working hours and avoidance of social contributions, which serve as cost-saving strategies for employers. These practices are more prevalent among enterprises that employ foreigners as compared to enterprises with only native workers, and are often mediated by temporary work agencies that exploit civil law or business-to-business contracts. The experts emphasised that informality stems primarily from cost pressures rather than the legal status of migrants.

Informal employment arrangements can have several negative consequences for workers, including restricted access to social protection and difficulties in legalising residence due to incomplete records of formal employment. Some migrants prefer to under-declare their working hours or to remain on civil law contracts rather than permanent employment contracts because of financial benefits. While this may reflect their short-term economic goals, it undermines their chances of obtaining long-term stay status in Poland. Temporary work agencies play an important role in enforcing non-compliant employment conditions. Participants in the focus groups emphasised that it is difficult for agencies' customers, the labour inspectorate and migrant workers to hold temporary work agencies accountable for unfair employment practices. The most recent legislation aims to regulate and tighten the activities of employment agencies. Overall, the results suggest that there is a segmented labour market, with migrant labour filling structural gaps amid growing employment informality and weak institutional control.

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## Deliverable information

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# **Employers, Informality, and Migrant Precarity in Poland's Farm-to-Fork Sectors:** Labour Market Drivers, Structural Effects, and Worker Vulnerabilities

## **ABOUT DignityFIRM**

Towards becoming sustainable and resilient societies we must address the structural contradictions between our societies' exclusion of migrant workers and their substantive role in producing our food.

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