REPORT ON IMMIGRATION TO GREECE
(PILOT STUDY)

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1. Executive Summary

The immigration flow to Greece after 1990 is really huge. According to the 2001 Census of Population, the number of immigrants is 762 ths out of which 413 ths have come to work. These numbers correspond to about 7% of the population and 9% of the labour force.

The great majority of immigrants, 438 ths or 57% of all immigrants come from the neighbouring Albania. Other countries of origin are the following: Bulgaria with 35ths (4.6%), Georgia with 23 ths (3%), Romania with 22 ths (2.9%), Russia, Ukraine, Pakistan, Egypt, etc.

Most immigrants are male. Their average age is approximately 34 years. The majority are semi-skilled or unskilled workers. A substantial proportion (41%) has elementary education or lower and another 46% has education between elementary and post-secondary level. Of those immigrants who have come to work in Greece the majority are married (56%). Among those who are married the great majority (77%) have come to Greece (or have been unified) with their families. Among those who are single, divorced, widowed or separated only about 40% are in Greece with their families.

Most of the studies reviewed in this report are devoted mainly to an examination and description of the situation that was developed after the flow of immigrants. This is understandable as Greece has experienced such large flows of immigrants for the first time in its recent history and also because immigration was
illegal with no official records of any information regarding the size, status, employment, location, etc. of the immigrants.

From the studies that have attempted to evaluate the effects of immigration on the Greek economy and society, the following results have been derived.

1. Economic results

(a) Immigrants have a net contribution to the Gross Domestic Product of Greece. For one year (1996) it is estimated that immigrants’ net contribution was 1.5% of GDP.

(b) In general, immigration does not seem to have significant depressing effects on wages. However, the view that the wages of unskilled and semi-skilled workers have been constrained by the inflow of immigrants is not without support.

(c) There is no evidence that immigration has increased the overall unemployment rate of Greek workers. However, there is a widespread view that unemployment in Greece is partly due to immigration. There is some evidence that immigration has resulted in a higher rate of the labour force participation rates of women, and that has caused a shift from family labour to wage-labour in various economic activities.

(d) One effect of immigration has been the deterioration in the distribution of income. As a result of immigration, the relative position of households with low incomes has worsened, and of households with middle and high incomes has improved. This is in agreement with the depressing effect of immigration on the wages of unskilled and semi-skilled workers.

(e) Concerns have been expressed on the availability of immigrant labour. This may have short-run positive effects, but probably negative effects in the long run due to the delayed adoption of technologically advanced methods of production and the reorganisation of the productive sectors of the economy.

(f) The demand for the use of public services such as schools, hospitals, administration, etc. by immigrants has not been excessive. However, this may have changed considerably in recent years because of the legalisation of immigrants and the unification of their families.

(g) A substantial proportion of incomes earned by immigrants is remitted to their countries of origin. There is neither evidence nor necessity that these funds will
return to Greece, directly or indirectly, and therefore remittances may have a lowering effect on the equilibrium level of income.

2. Social results
(a) There is hard evidence that immigration has increased criminality to a very substantial extent in the categories of serious crimes. The crime rates of immigrants are much higher than those of Greeks for all years for which there are available data.
(b) Integration of immigrants into the body of the Greek society is proceeding very slowly.
(c) There is much talk about evident racism and xenophobia in Greece with all its negative consequences for both immigrants and Greeks. However, there is no evidence, apart from isolated incidents, to support the view that the Greek society as an organised whole with its institutions and laws shows signs of racism and xenophobia.

3. Research Gaps
The review of the literature on immigration has shown many research gaps. Many obvious and/or important aspects have not been examined, as for example, the area of athletics, the contribution to social security, the important area of ethnic business, the effects on the demographic developments, inter-marriages, etc.

4. Factors Affecting the Performance of Immigrants
There are several factors that affect the performance of immigrants within the Greek economy and society. Among these factors, more important are the following: (1) Lack of knowledge of the Greek language. (2) Ignorance of the labour market networks. (3) Risk of employers by employing immigrants due to their ignorance as regards the personal and other characteristics of immigrants; and (4) the restrictions imposed on the labour market by the regulation of many professions.
2. Introduction

Information, reports and results of original scientific research on immigration to Greece and its effects on the Greek economy and society can be found in newspapers, popular magazines, publications of various Institutes (such the Institute of Labour of the National Federation of Labour Unions, the National Institute of Labour, the Center of Planning and Economic Research, the National Center of Social Research, the Universities etc), scientific conferences, books and scientific journals. Some of those publications are in Greek and others in a foreign language; some are easily accessible and others are not. Among these studies, there are substantial differences regarding the level of scientific methodology, accuracy of data and originality. It is not uncommon to find papers published even in scientific journals that repeat findings of other researchers (without proper citation). Also, some publications include unfounded and biased opinions and even some unreasonable judgements. Sometimes it is difficult to say whether an author presents results of his research or expresses his own opinion.

In preparing this report an effort has been made to present the results of various studies which are based on solid research. The bibliography presented at the end of this report includes the items referred to in the text, as well as additional items for the sake of those who might be interested in exploring the bibliography further.

2.1 Type of Material Collected and Analysed

The material collected and analysed in this study consists of publications that have appeared after 1990, the year that immigration to Greece begun to take dramatic proportions relative to the native population. All publications included in this study are research reports published in scientific journals or presented in conferences and scientific meetings or published by research Institutes such as the Center for Planning and Economic Research (where the National Contact Point is located). All these documents are easily accessible and copies of them are available.

The studies included in this report are devoted mainly to the study of illegal immigrants. The study of foreigners with residence and work permits does not present interest because their numbers are small and relatively stable. A regularisation program for the hundreds of thousands illegal immigrants started late (1998) and was renewed four years later (2002).
The studies that are of interest for this report are of two types. First, studies utilising in imaginative ways statistical data from official sources, such as the Statistical Service of Greece, and deriving reliable conclusions. Second, studies designed from the beginning and drawing data from field research. Since these latter studies cost substantial amounts of money, they are limited in number. There is a third category of studies that utilise the results of other studies in order to make useful analyses and draw inferences of interest on the basis of theory and common sense. The results of these studies are also included in this report.

One major difficulty for every one who wishes to study immigration to Greece is the lack of adequate and detailed data. For example, fifteen years after the beginning of immigration to Greece, no one exactly knows the number of illegal immigrants. In addition, there is lack of data of a complementary nature regarding the existing situation in the Greek economy and society. Also, and more important, the lack of adequate and detailed data allows many statements to be made, on the basis of casual observations, regarding various issues without been possible to prove or disprove the statements made on the basis of scientific evidence. For example, it is still debated whether immigration to Greece has caused unemployment of native workers, and if so to what extent.

2.2 Problems Concerning the Material and Research Gaps

It was stated in the previous section that the lack of adequate and detailed data is a major problem in doing research in the field of migration. Generating data by means of field research is very expensive and research funds are not easily found. As a consequence, many researchers are doing their own surveys and because of the great effort required they limit themselves to small samples, i.e. to samples with a small number of observations. What is worse, these samples are not random because of the methods used (e.g. snowball). To achieve randomness requires many resources, which are not available to the individual researchers. Thus, in some cases, research on immigration is based on 150 or 100 or even fewer interviews with immigrants not selected randomly. Of course, the results from such studies should not be discounted off hand, but it cannot be argued that their results are conclusive.

Another consequence of the lack of statistical data and of the limited resources devoted to social research is that some areas of interest for research are not examined to the required depth or are not examined at all. For example, criminality of illegal
immigrants is an every day issue in the Greek newspapers. However, there is only
one study that utilises the available data to derive conclusions regarding the
proportion of criminal acts among foreigners and Greeks and to make the proper
comparisons. Another example concerns the contribution of immigrants to athletic
games. It is known that some Olympic metals Greece has won since 1992 are from
ethnic Greek immigrants and that many illegal immigrants worked as gymnasts or
coaches in sports clubs. However, there are no studies on these areas. In general, it
can be said that there are many gaps in the research investigating the effects of
immigration on the Greek economy and society.

Most attention of researchers has been directed to the effects on the economy,
probably because these affects are more obvious and of high interest to most people
and to those responsible for the economic policy of the Government and other public
organisations. Other areas are much less researched. It is interesting to note that
some researchers have studied not the effects of immigration on the Greek economy
and society, but rather the situation of immigrants, economic and otherwise, and their
relationship with the Greeks. For example, some study the geographical distribution
of immigrants over the country, their locational pattern in the Athens Metropolitan
Area, etc.

3. Overview of Emigration and Immigration History

The history of migration flows in and out of Greece since 1950 covers three
quite distinct periods. First, the period from the mid 1950’s to 1974 which is
characterised by net emigration. Second, the period from 1975 to approximately 1990
which is characterised by return migration of previous emigrants and political
refugees of the post-war period (1946-1949) who were allowed to return home.
Third, the period since 1990 which is characterised by massive illegal immigration.

3.1 Developments from 1950’s to 1974

This period is characterised by emigration initially to the United States,
Canada and Australia (from 1955) and later (1958 onwards) to Western Europe and
mainly to West Germany. During this period, 416 ths emigrated to transoceanic
countries and 813 ths to West Germany (see Glytsos and Katseli, 1997 and Lianos,
1980). Emigration to other countries, i.e. Belgium, Sweden etc. was much smaller.
Not all of these migrants stayed in their destinations. Many returned within a short
period of time. Others returned and left again for the same or for new destinations (Lianos, 1975 and 1980). In any way, the amount of emigration was very substantial given the size of the population and the labour force of Greece. The volume of gross out-migration had reached a total of about 1155 ths people during this period, which is approximately 13% of the Greek population (Lianos, 1993). Net out-migration is, of course, less but is impressively high.

3.2 Developments from 1975 to 1989

The emigration of Greeks to W. Germany continued after 1974 but at a smaller pace. During the period 1975-1989, an additional 215 ths migrated to W. Germany but at the same time 400 ths returned to Greece. Thus, 195 ths returned to Greece from W. Germany alone. During this period, Greek political refugees from the 1946-49 period (civil war) were allowed to return home. It is estimated that approximately 40 ths returned (Glytsos, 1995). Taking all Greeks returning home into account, it is estimated that during the 1975-1989 period 492 ths have returned home.

Of course, during this period, foreigners from the European Union (then, Common Market) countries and also from other countries have been residing and working in Greece but in small numbers. For example, for the years 1980, 1984 and 1988 only 29 ths, 27 ths and 26 ths foreign workers respectively, were in Greece with work permits of which 5.8 ths, 6.5 ths and 6.7 ths were from the EEC-12 countries. In addition to these, a number of illegal immigrants have entered Greece from the beginning of this period (around 1973). According to news reports there were about 40 ths Pakistanis, Egyptians, etc. illegal immigrants who were not recorded in the official statistics. We can conclude that the number of immigrants in Greece during the period 1975-1989 was much higher than that recorded in the official statistics but the exact number are not known.

3.3 Development since 1990

Since 1990 the number of illegal immigrants to Greece has risen dramatically. This inflow of labour into the country is associated with the collapse of the communist regimes in Albania, former Yugoslavia, the former Soviet Union etc. There have been estimates of the size of illegal immigrants ranging from 350 ths to one million. However, the 2001 census of population gives a total number of 762 ths.
foreigners in the country. It is obvious that the 1990-2000 decade is the opposite side of the 1960-1970 decade.

The basic statistics of immigrants are as follows: Of the total number of all foreigners, 438 ths (57,5%) are Albanians, 35 ths (4,6%) are Bulgarians and 22 ths (2,9%) are Romanians. The remaining 35% consists of immigrants coming from countries such as (in descending order) Ukraine, Pakistan, Georgia, Moldova, India, Egypt, etc. Of all immigrants to Greece, 413 ths (approximately 54%) have come with the intention to work. Of those, 249 ths are in Greece with their families and 164 ths without. The majority of immigrants, that is 325 ths (or79%) who come to Greece to work have located themselves in urban areas, whereas the remaining 88 ths have settled in rural areas.

Of all immigrants to Greece who came for the purpose of finding work, the majority is men (245 ths men and 169 ths women). These are fairly young people with an average of 34 years of age. On the average, women are approximately three years older than men. The proportion of man varies widely among national groups of immigrants. For some immigrant groups such as Egyptians, Pakistanis, Iraqis and Indians, the proportion of men is around 90%. For some other groups, from Ukraine and Moldova, the majority of immigrants are women.

The geographical proximity of the country of origin is important in determining the mobility of immigrants and the length of stay in Greece. For instance, immigrants from the neighbouring countries, mainly Albania and Bulgaria, may cross the national borders more than twice every year depending on the availability of employment in Greece. Immigrants from Albania and Bulgaria seem to feel free to move in and out of Greece at will. This shows how ineffectively the borders are guarded and also it is an indication that immigrants from these countries are ready to leave Greece as soon as the economic situation in their own countries is improved.

A general impression of immigration to Greece after 1980 can be obtained by looking at Figure 1. What is clearly seen in the figure is the dramatic increase of the number of immigrants after 1990. During the period 1981 to 1990, the number of immigrants per year living in Greece is, more or less, constant. The explosion in the number of immigrants, largely illegal, takes place during the first three years after the collapse of the former communist regimes, and it continues to increase, but at a lower rate, since 1993.
Figure 1

Number of Foreigners in Greece, 1981-2001

Source: Glytstos, N. and L. Katseli (1977) and Lianos and Benos (2003)
4. The impact of Immigration on Greek Society

General Comments

The volume of scientific research regarding the impact of immigration on the Greek society is limited. Basically, this is due to the fact that research is time consuming and costly and the funds available to finance such a research are limited. The gaps in scientific research are often “covered” by statements of government officials and persons in power in Organisations such as the Greek Federation of Labour, the Chamber of Greece Industrialists, etc. These people are in a position to have first hand knowledge of what is going on in the Greek economy, although their interpretation may be seriously affected by the nature of the interests they represent. Also, it is supposed to exist some sort of common knowledge (public opinion) which is presented by TV, newspapers etc. In this report we present the basic results of research and occasionally we refer to statements made by people of authority in the fields of their work as, for instance, by the Under-secretary of Labour on the effect of immigration on the rate of unemployment.

In economic research it is not uncommon for different studies to reach different and even opposite results. This is more so in cases of issues, which are politically and ideologically sensitive. The study of immigration is such a case. Whenever this occurs in the literature regarding immigration to Greece, we present all points of view which are based on vigorous research and proper statistical data.

4.1 The Economy

Regarding the effects of immigration on the Greek economy, the following issues have been researched and/or discussed more frequently: (a) Total production, (b) the level of wages of Greeks and Immigrants, (c) the level and type of employment and/or unemployment, (d) the distribution of income, (e) technological development (f) use of Public services by immigrants and (g) remittances.

(a) Total production

Even casual observation leads to the conclusion that immigrants are contributing to the production of Gross Domestic Product (in both the formal and informal sectors of the economy). Of course, casual observation does not prove anything since it may be argued that the contribution of immigrant may simply be counterbalanced by the unemployment of Greek workers whose jobs are taken by
immigrants. However, the general consensus among researchers and others is that to a large extent immigrants are employed and are doing jobs that Greeks are hesitant or unwilling to do and therefore their net contribution is positive (Fakiolas (1998), Fakiolas and King (1996), Iosifidis and King (1998)). It has been estimated that the net contribution of immigrants to GDP is approximately 1.5% (Lianos et al. (1996), Sarris and Zografakis (1999)). This may appear to be small, since immigrants are close to 8%-10% of the Greek labour force. The share of labour is around 60% of national income and therefore one would expect a net contribution of immigrants close to 6%. However, the level of wages of immigrants is lower, and in some cases much lower than the wages of Greek workers. Therefore the monetary estimate of their contribution to GDP is less than their proportion in the labour force. In general, it seems to be commonly accepted that immigrants have a positive and significant contribution to the GDP of Greece.

(b) Wages

To a large extent, immigrants are employed in the informal sector in temporary jobs and for wages that are substantially lower than the wages of Greek workers (Lianos et al. (1996), Chletsos and Karassavoglou (1997)). The issue that has been raised is if and to what extent the wages of Greek workers have been reduced (or have not increased at rates comparable to those of previous years). The answer is that the wages of Greek workers have not been reduced during the period of immigration (since 1990) but the rate of increase is much lower, in real terms, than in the past. It is interesting to note that the money wages of workers paid with minimum wages have increased at very low rates, between 1% - 2% per year, whereas wages in general have increased by higher rates. The difference between the increases of the two wage rates may be attributed to the fact that those working with minimum wages are unskilled workers without work experiences and therefore these are the people who, in general, are in competition with immigrants in the labour market. This, in addition to the fact that immigrants form a large proportion of the labour force, can be an argument to support the view that the wages of unskilled and semi-skilled Greek workers have been constrained by the presence of immigrants.

It is interesting to mention that many economists in Greece see immigration as an important factor in keeping wages low, thus keeping the cost of production low and therefore the rate of inflation in a period when Greece was making a serious effort
to join the economic and monetary union (EMU). One can go one step further and argue that the policy of low inflation was served by immigration and perhaps even better by illegal immigration. Thus, the lack of haste on the part of the Greek governments to regularise illegal immigrants is attributed to a conscious policy rather than to a lack of administrative ability.

In conclusion, immigration appears to have been an effective check on the growth of money wages in general and on the money wages of unskilled and semi-skilled workers in particular. Of course, wages have not decreased but their rate of growth has been very moderate. Consequently, labour costs have been kept low and so has inflation.

(c) Employment – Unemployment

An important and sensitive issue with regard to the presence of immigrants is the extent to which immigration causes unemployment of native workers. In general, it is very difficult to prove that immigration has affected in a positive or negative way the level of unemployment of native workers or to disprove the existence of such a relationship. Studies of this kind are difficult to do because of lack of necessary data. One study (Lianos, 2003) that attempted to test the effect of immigration on native workers unemployment on the basis of cross-section data at the county level (52 counties of Greece) found no significant relationship between the two variables.

However there is a common belief that immigration has caused unemployment in unskilled and semi-skilled section of the labour market. In agreement with this belief, there is a statement by the Under-Secretary of Labour made in 2003 according to whom the high level of unemployment (about 10%) and its very slow decrease over the decade of 1990 “is partially due to the high level of immigration”.

One change that has occurred as a result of immigration is the shift from family labour to wage-labour (Cavounidis 1998). Various economic activities previously performed by labour of family members are now, after the massive immigration, carried out by hired wage-labour. This substitution has taken place most spectacularly in agriculture where work was typically performed by family members. This substitution has also taken place in small enterprises and in domestic and day care work. Therefore, immigration has freed native labourers from some types of work but it is not clear where this labour has gone after its substitution by immigrants, that is, whether they did other jobs or simply dropped out of the labour force.
An interesting and rather unexpected result of immigration on the labour force participation rates of Greeks has been found in an econometric study based on cross-section (county level) data (Lianos, 2003). It has been found that the presence of immigrants has increased the labour force participation rate of Greek women. In other words, it is found that there is a statistically significant increase in the participation rates of women in the counties where the proportion of immigrants to total population was higher. For the case of men, their participation in the labour force does not seem to be affected by the presence of immigrants. This result may seem to be counterintuitive since immigration is normally seen as substituting native workers. The explanation of this result is that the large number of immigrants may have increased the demand for products and services for which the labour of women may be more suitable, as for example in small family business where women can easily be employed for part-time, full time or seasonal work (during the tourist periods in small hotels, restaurants, cafeterias, etc) without the legal and administrative problems of hiring, firing, paying social security, etc.

In conclusion, it seems reasonable to say that the existing research shows that immigration has not resulted in higher unemployment rates for Greek men and women, but it has increased the labour force participation rates of Greek women and it has also caused a shift from family labour to wage-labour in various lines of economic activity.

(d) Distribution of Income

It is self evident that immigration in large numbers would have effects on the distribution of income. The expectation for such an effect is based on the assumption that immigrants are competing in the labour market with unskilled, or perhaps some semi-skilled, workers and depress their wages, but are complementary to skilled workers, capital owners etc. Those native workers who compete with immigrants for the same jobs and skills would suffer from the competition in the sense of having lower (or non-increasing) wages and higher probability of unemployment. Those native workers, employers, business owners and house owners, who are in a complementary relationship with immigrants would benefit. Therefore, immigration is increasing the inequality of income among various categories of income and profit recipients. A general equilibrium study (Sarris and Zografakis, 1999) has found that immigration to Greece has indeed this effect. It has reduced real disposable incomes
of poor households and has increased the incomes of middle and rich households. This result is in agreement with the result mentioned above, namely that immigration has a depressing effect, even moderate, on the wages of unskilled and semi-skilled workers.

(e) Technological Development and Industrial Structure

It is often argued that immigration had and still has beneficial effects on production and employment because the willingness of immigrants to work at low wages and under poor conditions of work has allowed many small firms to survive. It is argued that without immigrant labour these firms would have closed down, with negative effects on production and employment (Fakiolas, 1998, Fakiolas and King, 1996).

However, it is recognised by many (including the author of this report) that this effect, even if it is substantial, may be positive only in the short-run. In the long-run it may disappear and in addition it may have negative results in the sense that the low cost immigrant labour may postpone the adoption of technologically advanced production methods by firms in all sectors of the economy where labour can be substituted by capital. In other words, in a world where the adoption of advanced techniques and the use of high quality human capital are the only means to economic growth and survival in an international framework, the use of low wage immigrant labour may have long-run negative effects that overweight the short-run positive ones.

Immigrant labour that makes possible the survival of inefficient small firms helps to preserve an industrial structure, which is characterised by many very small and inefficient firms within the economic environment of the EMU and EU. The preservation of the existing industrial structure of Greece may in the long-run be detrimental for the economy. Thus, whereas immigration appears to be a solution to the problem of high production costs of the Greek industry, in reality it is not. The opposite may actually be the case.

(f) The Use of Public Services

There is a question regarding the net effect of immigration on the receiving countries. It is argued that although private firms may benefit, the economy as a whole may lose because of the demand and use of public services by immigrants. In other words, immigrants raised the use of public services such as public schools,
hospitals, police, administration etc. If the costs of these services are taken into account the net benefit from immigration for the country may be negative.

In principle, this argument is valid. However in the case of Greece it does not seem to be the case. It appears that the use of public services by immigrants is not excessive. This result was found by a study devoted to the examination of the effects of immigration in four counties in northern Greece (Lianos et al 1996). However, this study was done in a period (1995) where the totality of immigrants were illegal and their families had not yet come to join them in Greece.

In general one can say that immigration to Greece has created demands on public services, mainly public schools and police protection, but there is no evidence that the cost of these demands is excessive. This may have changed recently because of the increasing presence of immigrant children in public schools, and, in general, as a result of (i) legalisation of immigrants that makes possible their demand for public services and (ii) the unification of immigrants with their families.

(g) Remittances

Part of income that immigrants earn is remitted to family members back home. It is estimated that for immigrants to Greece, the proportion of income that is remitted is approximately 25 percent (Lianos and Cavounidis, 2004a, 2004b). The proportion of income remitted differs among the various nationalities of immigrants. Thus, it is 19% for Albanian immigrants, and 31% for the rest. There is also a difference in the proportion of income remitted between men and women. On the average, men remit approximately 22% of their income and women 35%. The length of stay in Greece also affects the propensity to remit. Those immigrants who have been staying in Greece for more than five years remit 22% of their income, whereas those with less than five years remit 30%. Remittances are important for the receiving countries because they increase disposable incomes and consumption but also because they provide foreign exchange necessary for the imports of raw materials and capital goods necessary for economic development.

However, for the sending country remittances reduce disposable income and therefore aggregate demand. Given that the European monetary unit, the Euro, is circulating widely in Europe and the world, there is no guarantee that the funds remitted from Greece to the countries of immigrants would return to Greece via
exports, visits, etc. Therefore, remittances are a leakage from the flow of aggregate demand that affects in a negative direction the equilibrium level of income.

The size of remittances from Greece for 1998 it is estimated, under reasonable assumptions, to be approximately 509 million Euros.

4.2 Civil Society and Cultural Context

(i) Criminality

The general impression in Greece is that crimes have increased dramatically since 1990 due to the presence of illegal immigrants. This impression was created partly because of the simultaneous appearances of criminal acts and illegal immigrants and partly by the newspapers and mainly TV, which tended to magnify the significance and consequences of crimes particularly when foreigners were involved.

The first studies on immigrant criminality showed that this general impression did not reflect the reality (for example, Panousis et al 1994, Karydis, 1996). Actually, it was estimated that only about one or two percent of the total number of crimes is attributed to foreigners (Panousis et al. 1994). This compared with the proportion of foreigners in the Greek population, which was about eight to ten percent, shows that foreigners cannot be considered responsible for excessive participation in crimes committed in Greece.

However these early studies were using statistics in an erroneous way. They were comparing crimes committed by foreigners with all crimes committed by Greeks. The great majority of crimes committed by Greeks are crimes that foreigners particularly illegal immigrants cannot commit. These are violation of traffic rules, (immigrants do not have cars), uncovered checks, (immigrants do not have bank accounts), inability to pay taxes, (immigrants are not legally employed) etc. In other words, the basis of comparison was not right and it was introducing a bias favour of foreigners.

A recent study (Lianos, and Benos 2003) examined the statistical data for a longer period considering only eight serious categories of crimes (thefts, rapes, narcotics, guns, murders, etc) and adjusting the two populations for age (namely for children under 15 and older people above 65 since these groups are underrepresented in the immigrant population). The outcome of the study is that foreigners have indeed a much higher rate of crime than Greeks. For example, for the year 1990 the number
of crimes per thousand people was 6.14 for foreigners and 5.72 for Greeks. For 1995 the numbers are 6.21 for foreigners and 5.64 for Greeks. For 1999 the corresponding numbers are 10.95 and 5.82 and finally for 2001 8.3 and 5.83.

Parenthetically, it needs to be added that the crimes committed by foreigners are not necessary crimes against Greeks. Crimes within immigrant groups are not uncommon.

In conclusion, the evidence from the existing available data is that criminality in Greece has increased to a very substantial extent as a result of immigration.

(ii) Integration of Immigrants

Greece has become an area that receives increasing flows of migrants and refugees. The examination of how these immigrants are embodied into the Greek community, from a social, anthropological and juristic point of view is essential.

Sociological studies of the Greek society in relation to this new migration movement, analyse the conditions of reception and acceptance, or social exclusion of immigrants. The majority of the studies focus only on the social exclusion of immigrants, arguing that the source of this phenomenon is the nationalistic and genealogist perceptions of Greek natives. Immigrants are evaluated in many cases as cheap manpower, as well as people whose “inferior” cultural origin necessitates the assistance of more privileged societies.

There are several restrictions as far as the legal framework is concerned, introduced by the incompatible ways in which authorities and non-governmental organisations define the concept of refugee. Existing laws do not encourage immigrants’ mobilisation, while no initiatives are developed by the state regarding their self-determination. Immigrants contact municipal offices mainly in order to issue or renew work permits and perform civil marriages.

Ethnic group mobilisation in Greece takes three main forms: The formation of social networks, the establishment of ethnic associations, as well as dependence on non-governmental organisations, that operate as mediators between Authorities and immigrants.

Immigrants’ activities and behaviour do not correspond to the norms of the mainstream society. Since Greeks perceive themselves as a culturally homogeneous group, they tend to think of the arriving foreign populations as undifferentiated
“Others” with no potential for creative action and meagre chances of achieving social and political autonomy.

In conclusion, the integration of immigrants is proceeding very slowly, if at all.

(iii) Racism and Xenophobia

According to some writers, there is a general shift of mentality, resulting from the economic problems and the xenophobic political discourses leading to racism and xenophobia. According to these writers, the preconditions for the birth and rise of xenophobia in Greece derive from: a) Immigrant ghettos being generated around or inside urban centres, b) Unemployment rise and occupational insecurity, c) The homogeneity characteristics of the Greek society compared to other multiethnic societies, where the ethno-genealogical principle of nationality leads to an exclusion and d) The combination of temporal and quantitative elements when immigration takes place over short periods of time and the number of immigrants is as large as to be “visible” to the bulk of society.

According to Panousis, Dimopoulos and Karidis (1994) immigrants should be seen as collective victims. Difficult socio-political circumstances made them leave their country and come to Greece, where they face a legal framework that provides no provisions or protection to illegal immigrants, and the abuse of employers.

Psimmenos (1995) has conducted an analysis with 350 interviews of Albanian immigrants living in Athens. According to these interviews two Albanian ghettos have been created in the centre of Athens. The majority of these immigrants lived in places where the Greek state is absent. They reside in old rundown hotels, many of them operating as cat-houses. There were many hygiene problems, while many of these residencies had no heating. The majority of the interviewed Albanian immigrants were unskilled workers, employed on a temporary basis and without working permit.

The racist behaviour appearing within the Greek society towards immigrants is many times reinforced by the media and the police, which contribute to the development of the idea that immigrants are the main suspects for the growth of criminality in Greece. Paulou (2001) gives an extensive annotation of the racist wording against immigrants used by media in Thessalonica. Media tend to present certain national groups (basically Albanians) as the main suspects for the rise of criminality in the country. Police officers also contribute through their statements to
the creation of stereotypes against immigrant groups. There is also some evidence of 
“fabricated” news concerning especially the criminality of Albanians. Without any 
evidence the main suspect for a robbery or a murder most of the times is assumed to 
be an Albanian immigrant.

Social racism and xenophobia are enforced by the media, by using the 
argument of “downgrading of the city”. Any kind of concentration of immigrants in a 
spot of the city creates the fear of an unspecified threat. What seems to annoy most 
the natives is the visible poverty from homeless people wandering around the city.

According to Lazaridis and Wickens (1999), Greece has to accept the fact that 
a plurality of ethnic communities and religious beliefs exist within its borders, and 
develop integration programs and accommodate the ethnic and religious diversity that 
has emerged in the country. The media and politicians must become self-reflexive on 
the role of certain forms of rhetoric that contributes to the rise of xenophobic feelings 
and practices against migrants. On the other hand, the ethnic minority groups must try 
to develop strategies to counter the discourse of threat and policies of exclusion.

The writer of this report is of the opinion that despite claims to the opposite 
there is no hard evidence that racism and xenophobia exist among the Greek 
population. Of course there are incidents of racist and xenophobic behaviour which 
have been magnified by the media for obvious purposes. However, these incidents 
are isolated and cannot provide the basis for arguing that the Greek society in total 
and with its laws and institutions shows signs of extensive racist and xenophobic 
behaviour.

Research Gaps

Regarding the effects of immigration on the Greek economy and society there 
are at least four areas where immigrants have had and continue to have noticeable 
effects. These areas are: (i) athletics, (ii) social security contributions, (iii) ethnic 
business and (iv) demography. The research literature on these aspects of 
immigration is silent although it is probable that the effects may be significant.

(i) Athletics

It is common knowledge that during the last fifteen years (since 1990), 
immigrants have had an important contribution to the athletic events, national as well 
as international. Immigrants from the ex-socialist countries and immigrants of Greek
descent, as athletes and also as coaches and gymnasts, have had a significant positive contribution on the performance of Greek teams of track events, weight lifting, basketball, soccer, etc. Several Olympic medal winners and champions in various international events are recent immigrants of Greek descent. In addition to the prestige that these immigrant athletes have given to the clubs in which they belong as well as to the national teams, they also contributed to the creation and development of human capital in this important area.

Despite its importance, this area has not been researched or, at least, the results of such research are not published.

(ii) **Social security contributions**

In the public discussions concerning the migration policies of the Greek government, the opinions expressed regarding the policy the government should follow range from a closed border policy, at one extreme, to an open border one, to the other extreme. An important argument of those favouring open border policies or admission of immigrants at rather large numbers is the shaky condition of the Greek social security system. It is argued that the present proportion between the working population and the retirees is such that the present situation of the social security system is not sustainable and that in the near future the system will collapse. One way out of this serious difficulty is the admission of immigrants and their placing in the labour force. Immigrants are young with an average age of about 33 years and therefore they would contribute to the revenues of the Social Security funds with no financial demands at the present or in the near future. The validity of this argument seems self-evident. However, it is not documented in any published research.

(iii) **Ethnic Business**

It is not rare to see immigrants developing entrepreneurial activities at various levels of economic significance. The development of ethnic business takes time because in addition to talent, it requires financial capital, knowledge of the economic, legal and social environment, knowledge of the national language, etc. However, small business can be undertaken easily and with modest means, as for instance in the case of small foreign language newspapers, ethnic restaurants, house and office cleaning services, small construction groups, small trade (mainly illegal), etc.
There is evidence that such ethnic business exist mainly in the area of Athens but also in other areas depending on the type of business. For example, there are many small restaurants in Athens, a Polish language small newspaper published in Athens, groups of five or six construction workers working in tourist areas, etc. However, the extent, the significance and the economic contribution of these activities have not been researched as yet.

(iv) Demographics

The population pyramid of Greece is distorted in the sense that groups of older age are large relative to the younger groups. Immigrants are young with an average age of 33 years and many of those have expressed (in various opinion polls) the desire and intention of staying in Greece permanently if the economic situation is prosperous. It is not uncommon to hear or read about marriages between Greeks and foreigners. The extent of these marriages is not known but none would be surprised anymore if one hears that a Greek is married to a foreigner.

It seems reasonable to assume that a substantial number of immigrants who came to Greece, legally or illegally, for temporary residence and work will remain permanently and will mix with the local population. Obviously this development will have important consequences for the demographic characteristic of the Greek population. However, no relevant research has been published yet.

5. Factors Impacting on Immigrants

The great majority of immigrants who came to Greece after 1990 were illegal. After the 1998 regularisation program, approximately half of them preferred to remain illegal for various reasons and did not apply for residence and work permit. One basic reason for which many immigrants preferred to remain in the country illegally was the comparative advantage they would have in the job competition in the labour market. Legal labour costs more to the employer because of the contributions to the social security system, minimum wages, compensation, etc. Also illegal workers could not be taxed or suffer income reduction because of social security contributions. Thus the decision of many immigrants to remain in an illegal status is perfectly rational, particularly if they have a short-run horizon for their stay in Greece and if the risk of being arrested is very small.
There are many factors that negatively affect the performance of immigrants in the labour market. These factors affect both, legal and illegal immigrants but more so the illegal ones. The basic factors are: (i) Lack of knowledge of the Greek language, (ii) Ignorance of the labour market networks, (iii) Risk of employing immigrants and (iv) Regulated professions.

( i ) Language Problems

With the exception of immigrants from the Greek Minority of (Southern) Albania and of immigrants of Greek decent, all other immigrants in Greece did not have knowledge of the Greek language. This is a serious disadvantage in terms of matching the professional knowledge and experience of immigrants with the available jobs openings. For some professions knowing the language is not extremely important as for instance, in the case of musicians and athletes. But for most professions, the language requirement is sine qua non condition, i.e. in the case of teachers, nurses, doctors, engineers etc. A study has shown that the employment of immigrants is to a very important extent in jobs for which they over-qualify (Lianos, 2004). In other words, the human capital (education and experience) of many immigrants remains under-utilised simply because there is a language barrier. Thus, immigrants and the receiving country miss the benefits of high professional qualifications.

Attempts to provide language classes to immigrants are limited. Finally most immigrants have learned enough Greek to get by, but not enough to allow them to use their full knowledge of their professions.

( ii ) Labour Market Networks

The labour market operates through different networks, which make available information on job openings, labour availability, wages and other related variables. These networks include official labour offices, employment agencies, connection between friends and relatives, newspapers and other advertisements, etc. Immigrants, particularly illegal ones, find it difficult to use many of these networks. Thus the efficiency of the labour market is reduced. Time and money is lost for immigrants as well as for their potential employers.

The main source of information about job opportunities and wages is from friends and relatives and through an informal labour market at the local level, where
everyone knows where to find immigrants and immigrants know where to wait for the employer on a daily basis.

The absence of an official and extensive labour market network results in loss of money and time for both workers (immigrants) and employers. The statistics show that the rate of unemployment for immigrants (men and women) is higher than that for Greek workers. This is partly explained by the limitation of immigrants in using effectively the existing labour market networks.

(iii) Risk

Immigrants, when they first enter Greece and the labour market, and also when they change location within the country, are individuals about whom the potential employers know very little. The language they speak is different, the academic and professional degrees they possess cannot be easily evaluated, the experience they have is not known and cannot be ascertained, etc. The same is true about the work discipline and other personal characteristics of the immigrant. Therefore, the hiring of an immigrant involves risk, which in general cannot be avoided.

As a result of the risks involved, it is not uncommon for immigrants to be discriminated against, not on the basis of racism but simply because of the risk involved in hiring them. Of course, this phenomenon, to the extent it exists, can only be a short run phenomenon. It is interesting to note that there are some characteristics on the basis of which employers seem to categorise immigrants as employees. For example, there is a common view that immigrants from Pakistan and Iraq are quite well-behaved and trustworthy, whereas Albanian immigrants are naggy and unreliable. Regardless of the truth of these views, the fact that some or most employers think so creates unfavourable conditions of employment for some or for all immigrants.

The risk involved in hiring immigrants results in a lower probability of employment and in lower wages for the immigrant. On the part of the employers, this is quite a rational behaviour.

(iv) Regulated Professions.

As in almost all countries (and certainly in European countries) there exist in Greece a very long list of regulated professions. Regulated professions are those for
which special requirements are necessary before one can exercise them. Typical requirements include a degree of varying educational level depending on the profession and a subscription to the professional chamber. The latter requires Greek nationality or European Union nationality and often an examination and/or a period of apprenticeship.

Obviously, it is impossible for an immigrant, particularly an illegal one, to meet these requirements. As a result, many highly qualified immigrants are holding jobs of a much lower level of qualification and very often jobs totally unrelated to their expertise. A study (has found that the extent of over-education among immigrants is much higher than among Greeks (Lianos, 2004). The Government policy is difficult to take action in order to reduce the significance of the restrictions imposed by professional regulation. Professional groups are very protective of the interests of their members and take a very negative view with respect to allowing immigrants (in fact, foreigners in general) to get professional license. Any government policy against the interest of professional groups (e.g. engineers, architects, medical doctors, lawyers, etc) would easily develop social friction and discontent.

In conclusion, the factors mentioned above, i.e. ignorance of the Greek language, labour market networks, risk involved in hiring immigrant and regulation of profession, are important in the sense that they reduce the ability of immigrants to have access to jobs for which they qualify. It is useful to add that these factors are not specific to Greece. They are present in all countries that receive immigrants, legal or illegal.

6. Conclusions

In brief, this report leads to the following conclusions.

( i ) The immigration flow to Greece after 1990 is really huge. According to the 2001 Census of Population the number of immigrants is 762 ths of whom 413 ths have come to work. These numbers correspond to about 7% of the population and 9% of the labour force.

( ii ) The great majority of immigrants, 438 ths or 57% of all immigrants, come from the neighbouring Albania. Other countries of origin are: Bulgaria with 35ths (4.6%), Georgia with 23 ths (3%), Romania with 22 ths (2.9%), Russia, Ukraine, Pakistan, Egypt, etc.
(iii) Most immigrants are men. The average age is approximately 34 years. The majority is semi-skilled or unskilled worker. A substantial proportion (41%) has elementary education or less and another 46% has education between elementary and post-secondary level. Of those immigrants who have come to work the majority are married (56%). Of those who are married the great majority (77%) have come to Greece (or have been unified) with their families. Of those who are single, divorced, widowed or separated only about 40% are in Greece with their families.

(iv) Most of the studies reviewed for this report are devoted mainly to an examination and description of the situation that was developed after the flow of immigrants. This is understandable as Greece has experienced such huge flows of immigrants for the first time in its recent history and also because immigration was illegal with no official records of any information regarding the size, the status, the employment, the location, etc. of the immigrants.

(v) From the studies that have attempted to evaluate the effects of immigration on the Greek economy and society, the following results have been derived.

a) Immigrants have a net contribution to the Gross Domestic Product of Greece. For the year 1996 it is estimated that immigrants’ net contribution was 1.5% of GDP.

b) In general, immigration does not seem to have significant depressing effects on wages overall. However, the view that the wages of unskilled and semi-skilled workers have been constrained by the inflow of immigrants is not without support.

c) There is no evidence that immigration has increased the overall unemployment rate of Greek workers. However, there are many who seem to believe that unemployment in Greece is partly due to immigration. There is some evidence that immigration has resulted in higher rate of the labour force participation rates of women. Also, immigration has caused a shift from family labour to wage-labour in various economic activities.

d) One effect of immigration has been the deterioration in the distribution of income. Households with low incomes have lost as a result of immigration and households with middle and high incomes have gained. This is in agreement with the depressing effect of immigration on the wages of unskilled and semi-skilled workers.
There are concerns expressed that the availability of immigrant labour may have short-run positive effects, but in the long run there may be negative effects on the adoption of technologically advanced methods of production and on the reorganisation of the productive sectors of the economy.

The demand for the use of public services such as schools, hospitals, administration, etc. by immigrants has not been excessive. This may have changed considerably in recent years because of the legalisation of immigrants and the unification of families.

A substantial proportion of incomes earned by immigrants is remitted to their countries of origin. There is no evidence or necessity that these funds will return to Greece, directly or indirectly, and therefore remittances may have a lowering effect on the equilibrium level of income.

There is hard evidence that immigration has increased criminality to a very substantial extent in the categories of serious crimes. The crime rates for immigrants are much higher than those for Greeks for all years for which there are available data.

Integration of immigrants into the body of the Greek society is proceeding very slowly.

There is much talk about evident racism and xenophobia in Greece with all its negative consequences for both immigrants and Greeks. However, there is no evidence, apart from isolated incidents, to support the view that the Greek society as an organised whole, with its institutions and laws, shows signs of racism and xenophobia.

The review of the literature on immigration has shown many research gaps. Many obvious and/or important aspects have not been examined, as for example, the area of athletics, the contribution to social security, the important area of ethnic business, the effects on the demographic developments, intermarriages etc.

There are several factors that affect the performance of immigrants within the Greek economy and society. From among these factors, the more important are: (1) Lack of knowledge of the Greek language, (2) Ignorance of the labour market networks, (3) Risk of employing immigrant due to the ignorance of employers regarding the personal and other characteristics of immigrants and
(4) the restrictions imposed on the labour market by the regulation of many professions.
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