

# IMMIGRANT POPULATIONS AND THE LABOUR MARKET IN GREECE

Vasilis S. Gavalas<sup>1</sup>, George E. Korres<sup>1</sup>.

<sup>1</sup>University of the Aegean, Department of Geography

## Abstract.

The purpose of the research is to methodically map the labour market circumstances of the main immigrant groups in Greece. It classifies all Districts of Greece in three categories (Diverse, Mixed, and Unmixed) according to the ethnic composition of each Districts. It measures how the employment status and educational achievements of the immigrants vary 1) according to the ethnic group of the immigrant and 2) according to the ethnic composition of a Districts. The relationship between labour market outcomes and local diversity is measured with the use of two key indicators: economic activity and unemployment. Although in other European countries ethnic minority populations are under-privileged in terms of labour market circumstances, it is found that in Greece the bulk of the immigrants present lower unemployment and higher economic activity rates than indigenous Greeks.

**Keywords :** Ethnic groups, labour market outcomes.

## 1. Introduction

Two major geo-political trends shaped the European migration flows in the 1990s and led a lot of immigrants to Greece as well. On the one hand, the collapse of the communist regimes in the former Eastern Block in the late 1980s-early 1990s generated a migration flow from “East” to “West” (the terms having more of a political meaning than a geographical one). On the other hand, the Southern EU member states, having experienced a noteworthy economic and social development in the 1970s and the 1980s, have emerged as new migrant destinations.

Foreign immigrants make up a significant part of the population of Greece and their presence is estimated to become more prominent in the foreseeable future. In 2001 8.5% of the population of Greece were foreign nationals, while taking the country of birth as criterion of “immigrant-ship” 10.3% of Greece’s population in that year were foreign-born. Most of these people came from Albania, the former USSR and the member-states of the European Union. (NSSG 2001).

A great number of these people are concentrated in certain Districts and Regions of Greece, because of both the labour market circumstances and the policy of the Greek state. Ethnicity in conjunction with the clustering of ethnic groups can play a pivotal role in determining the quality of life of immigrants. A number of key social issues are raised by this reality. Are there any differences in the employment of immigrant groups compared to the indigenous population? How do labour market circumstances vary across different geographical areas? Are there differences in labour market outcomes that associated with the ethnic composition of a geographical area? In which areas are located the population groups with extremely low economic activity and extremely high unemployment?

## 2. Data and Methods

Unfortunately the 2001 census did not register the ethnicity of the population (which is something subjective but nevertheless is being recorded in censuses of other European countries). As a “proxy” for the ethnicity we could use either “citizenship”, or “country of birth”, both of which have been recorded by the 2001 census. However, citizenship does not reflect the real number of foreign immigrants that live and work in Greece. It is indicative that in 2001 there were 207.595 people who were born in the former USSR (1.9% of the population of Greece) but only 71.283 of them (0.4 % of the population Greece) were

citizens of former USSR countries (Hatziprokopiou, forthcoming). Most probably the difference between the two figures gives us the immigrants from the former USSR that have obtained the Greek citizenship. Most of these immigrants, although they are Greek citizens, are seen as foreigners by the Greek society and the labour market. Our aim is to study all “foreign” immigrants regardless of their citizenship. Therefore, we decided to use “country of birth” instead of citizenship as a measure of immigration.

The article is based mainly on the 2001 census-returns. The data used here have not been published but they have been commissioned from the National Statistical Service of Greece (NSSG) for the needs of this research. More particularly, NSSG provided the population of Greece broken down by District, sex, country of birth and employment status, as enumerated by the 2001 census. These data have been undergone a secondary analysis, with the use of the statistical software STATA 8.0, so as to produce the results presented in this paper.

The main part of this paper systematically documents how the employment status of the immigrants varies 1) according to the ethnic group of the immigrant and 2) according to the ethnic composition of a local area. The geographical units of analysis are the Geographical Departments and the Districts (Νομός). Administratively, Greece is divided in 10 Geographical Departments and 52 Districts. However, Districts, which average a population of about 215.000 each, exhibit great variability as far as population size is concerned, ranging from approximately 20.000 (District of Evritania) to 3.9 million (District of Attica). District of Attica is disproportionately larger (population-wise) from the rest of Districts because it contains the capital area. For this reason NSSG has divided District of Attica into four smaller Districts (Νομαρχίες), thus raising the number of Districts to 54. The self-administrative region of Mount Athos is also included in our analysis, thus bringing the final number of Districts to 55.

By elaborating the 2001 census we classified the Districts in three categories.

- 1) Diverse: Districts where the immigrants exceed 13% of the total population.
- 2) Mixed: Districts where the immigrants make up between 10-13% of the total population.
- 3) Unmixed: Districts where the immigrants make up less than 10% of the total population.

This classification will help us compare the different employment outcomes not only among the different immigrant groups but also among the three different categories of Districts.

The results of the analysis refer to seven ethnic groups.

1. Greek
2. Albanian
3. former USSR
4. Bulgarian
5. EU15 (apart from Greek)
6. North American (USA and Canada)
7. Other

The results of the analysis for each category of District comprise two key indicators:

#### Employment Indicators

- 1) Economic activity by ethnic group and sex (All employed and unemployed as percent of total)
- 2) Unemployment rate by ethnic group and sex (Unemployed as % of economically active)

Extreme values. We also analyse the neighbourhood extremes where for the particular indicator an ethnic group is amongst the worst seven District populations in Greece. Extremity is defined where an ethnic minority population in a District has the poorest performance rates for the particular indicator in the whole of Greece. A District as a whole may be doing well for a key indicator even where one ethnic minority population in that District exhibits one of the seven worst rates recorded for that indicator. In order for the results to have statistical robustness we only include populations with 250 people in the denominator of the particular indicator.

### **3. Ethnic composition of Greece**

In 2001 just over 10% of Greece's population were foreign-born. (NSSG:2001). The bulk of these people came from countries of the former Eastern Block (Albania, Bulgaria and the former USSR). It is noteworthy however, that a significant proportion comes from other European Union countries, which are equally or more prosperous than Greece. An even greater percentage (2.7% of the country's population or 26.2% of foreign-born population) is classified as "Other". These are mostly people from South Asia (India, Pakistan and Philippines) and to a lesser extent from Africa.

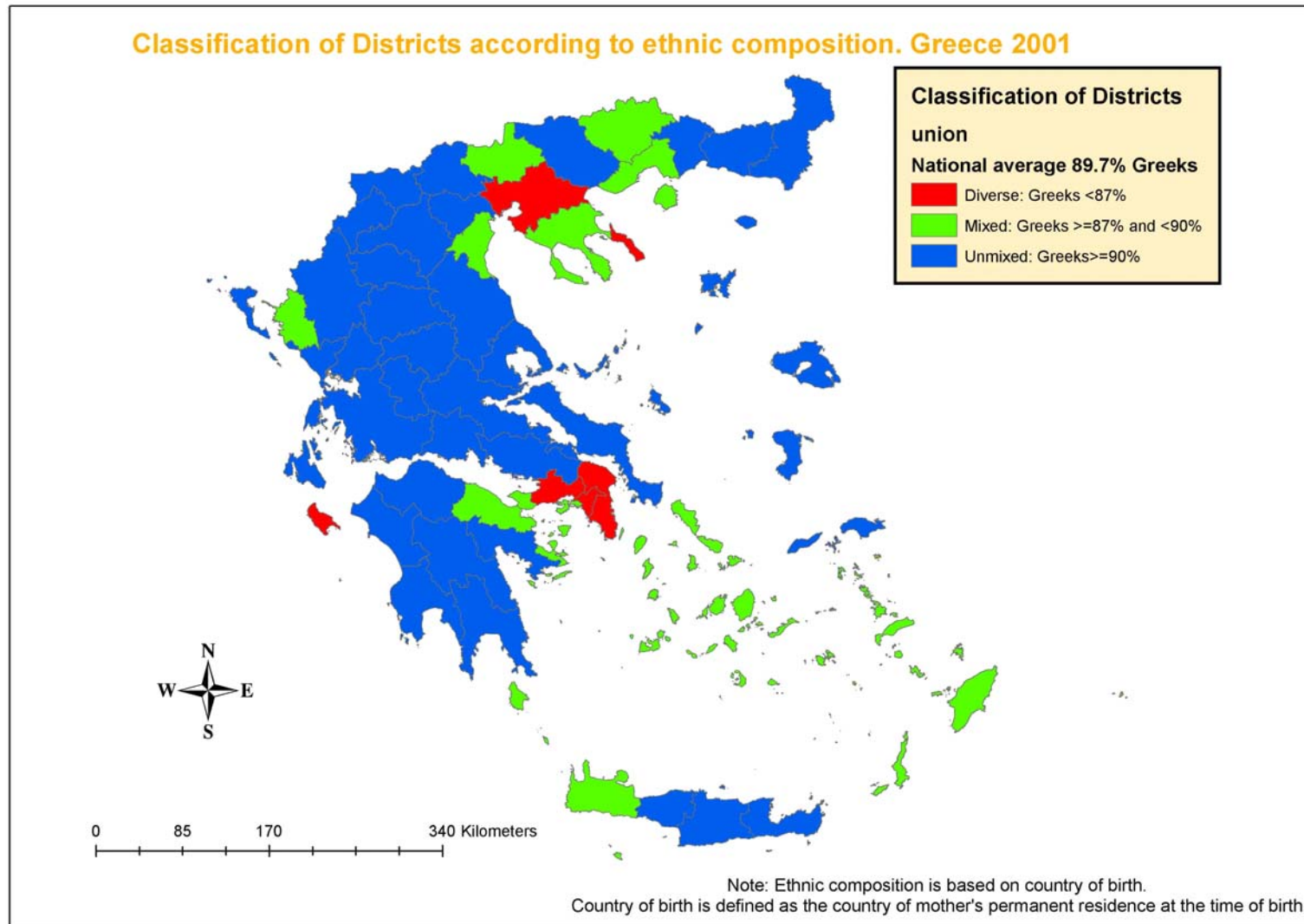
Analysis of the census data showed that even in the District level, there are some signs of ghetto-ization in Greece. Immigrants from the former USSR tend to live in Diverse Districts. Only 22% live in unmixed areas, while the figure for the general population is 43% (and 45% for the Greeks). An even greater isolation is observed in the ethnic group "Other", two thirds of which live in Diverse Districts and only 20% in unmixed Districts. Of course, the geographical unit of District is too large to permit any conclusions to be drawn regarding the spatial isolation of ethnic groups. The concentration of certain ethnicities in Diverse Districts could simply mean that immigrants prefer Districts where the labour market offers more opportunities to them or a social network of fellow countrymen is already established there or both.

Map 1 classifies all Districts in three categories according to their ethnic composition. It seems that the four Districts which comprise the conurbation of Greater Athens are the first in the preference of immigrants. More than 15% of the population in three of these Districts are foreign-born. The District of Piraeus (the remaining of the four Districts) falls back with 10%. Second in terms of diversity comes the District of Thessaloniki, with 13.5% foreign-born and close behind the island-district of Zakynthos (Zante) with 13.1% immigrants, thus defined.

Athens and Thessaloniki attract immigrants presumably because of their urban character and the already established immigrant networks in the two greatest cities of Greece. Zante is an exception to the general pattern, given that it is not an urban center like Athens and Thessaloniki, and neither is an entrance point to Greece, like some of the Aegean islands.

Mount Athos is a special case since it is the most diverse "District" of Greece. Almost one third of its population (31.3%) are foreign-born. One should keep in mind, however, that we are talking about a self-administrative monastic community with a population of only 1961 males. It seems that monasteries employ foreign immigrants for various construction and agricultural jobs, but a lot of monks are also foreigners.

**Map 1:** Ethnic heterogeneity by District. Greece, 2001.



#### **4. Regional comparison**

Before examining the labour market circumstances of ethnic groups according to the ethnic composition of Districts (diversity analysis), we shall study how unemployment rates vary between Geographical Departments of the country. By using greater geographical units (Departments instead of Districts) we can obtain a more general picture about the geographical variation of employment patterns in Greece and we can trace combinations of ethnic groups, gender and regions that exhibit unfavourable labour market outcomes. Such analysis is vital to the development of effective national and regional level labour market policy interventions.

In national level the majority of immigrants exhibit lower unemployment rates than the indigenous Greeks. Three immigrant groups (Albanians, Bulgarians and “Other”) which make up two thirds (65.6%) of the foreign-born population of Greece have lower unemployment rates than the national average, which was 9.7% in 2001, and than Greeks as well. The remaining one third of the immigrants exhibit higher than the national average unemployment rates. People in this category come from North America, the former USSR and the most wealthy 14 states of the European Union.

In the regional level unemployment rates are highest in the Ionian Islands for all people and for Europeans and Greeks separately. Immigrants from the former USSR present the highest unemployment in Thrace, while those from the USA and Canada in Epirus. What is noteworthy is that there is no regional variability in the unemployment rates of Albanians. Differences from their country-wide rate of unemployment are neither substantially nor statistically significant. Their unemployment ranges from 5.3% to 9.1% while their country-wide rate is 6.7%.

The picture for females is similar to those for males. The main difference is that women exhibit higher unemployment than men do. The national average for women is 13.4% while for men is almost four units lower. The greatest difference is observed in the Albanians. Albanian women have 5.7 percentage units higher unemployment than Albanian men. The only ethnic group that women present lower unemployment than men is North Americans, while for Bulgarians the rates are almost equal for both sexes.

In the regional level unemployment rates are highest in the Ionian Islands for all people and for Greeks and “Other” separately. Three ethnic groups (Albanians, North Americans and Europeans) exhibit the highest unemployment rates in the Aegean Islands, while women from Bulgaria and the former USSR are more unprivileged in Thrace.

#### **5. Diversity analysis.**

##### ***5.1 Economic activity.***

Economic activity is an indicator of participation in the labour force, the formal labour market. It is also an indicator of the dynamism of the population, as higher rates of economic activity, imply that a higher proportion of the population is receiving a wage for work or is available to do so.

For Greece as a whole economic activity is highest for Bulgarian men. All ethnic minority populations have higher economic activity rates than the national average, while this is not the case for indigenous Greeks. The lowest economic activity rates for Greeks could be owing to a combination of the following factors: aged population, high percentage of students, high percentage of population with permanent sickness or disability, higher than the other ethnic groups percentage of child population. It is understandable that all the above categories of population neither work nor seek for employment, thus lowering economic activity rates. It is plausible that immigrants and especially economic immigrants, consist mostly of young healthy males who seek work. Therefore, it is not atypical that first generation immigrants exhibit higher rates of economic activity than the indigenous population.

Comparing the types of Districts, the lowest economic activity rates are observed in unmixed and mixed Districts. Populations in Diverse Districts do not exhibit activity rates lower than the national average.

Economic activity rates for women are much lower than those for men, reflecting the fact that proportionally less women than men are seeking for paid employment. This has clearly to do with the gender roles that want women to look after home and family. It is remarkable though that for women in Diverse Districts economic activity is much higher than for those living in Mixed and Unmixed Districts, and this holds true for every ethnic group. It may be the case that in Diverse areas the population consists of working age persons in greater proportion than in non-Diverse areas.

Turning to extreme values in particular Districts, there are substantial differences between different ethnic minority populations living within the same District. Mount Athos is a special case because the majority of its population are monks who do not participate in the labour force. Leaving Mount Athos out of the analysis we observe that the ethnic group with the lowest rates of economic activity is the "Other". It is notable that the low rates of economic activity amongst "Other" are concentrated in non-diverse Districts. Four of the six lowest rates of economic activity are found in Unmixed Districts and two in Mixed. The geographic location of these "extreme" Districts also stands out. They are concentrated in Northern Greece, three of them in Macedonia and three in Thrace.

Extremely low rates of economic activity for women are also to be found among "Other" in Districts of Macedonia and Thrace as well. The District island of Chios also appears in the list with the seven most "extreme" Districts but economic activity rates are not so low as in the Districts of Northern Greece. Again most of these Districts are Unmixed and none of them is Diverse.

## ***5.2 Unemployment.***

Unemployment rate is among the most important indicators of socio-economic development. Ethnic groups that exhibit higher unemployment rates than the national average are more likely to have a lower standard of living and this fact implies a social (if not spatial) segregation from the rest of the population. It seems that most immigrant groups in Greece are doing well in this respect. Albanians, Bulgarians and "Other" (three groups which make up 65.2% of the total immigrants) present lower unemployment than the national average and than Greeks as well. The rest one third of the immigrants exhibit higher unemployment than the national average. People from the former USSR and from USA and Canada are among the less likely to be working.

By comparing the different types of Districts it was found that unemployment is highest in Unmixed and Mixed Districts, while Diverse Districts present the lowest rates. This observation holds true for every ethnic group. Even the Greeks are more likely to be in a paid job in a Diverse District than in a Mixed or an Unmixed one. As far as males are concerned, Unmixed Districts present the highest unemployment, Mixed ones the second highest and Diverse the lowest. For females this order changes a bit and the worst employment outcomes are observed in the Mixed Districts. However, the Diverse Districts keep on having the lowest unemployment rates for females as well.

Overall, women are more likely to be unemployed than men. The only exception to this fact are the North Americans, where women present a slightly lower unemployment rate. On the other hand, Albanians present the greatest difference in the unemployment rates between the two sexes. The unemployment rate of Albanian women is almost double that of Albanian men.

Turning to the extreme values, the highest unemployment rates for men are to found in Districts of Macedonia and Trace among people from the former USSR and the wealthiest countries of European Union. The ethnic group "Other", however, presents even greater unemployment in the District of Ahaia, in Peloponnesus. Most of the Districts with extremely high unemployment are Unmixed while none is Diverse.

As far as females are concerned, the pattern changes slightly as (apart from ethnic groups from former USSR, EU15 and “Other”) Albanians and Greeks also present extremely high unemployment in certain Districts. These Districts are not located only in Macedonia, Thrace and Peloponnesus but also in the Ionian and the Aegean islands (in the case of males only one District of the Aegean islands presents an extreme value, while in the case of women two Districts are having an ethnic minority with extremely high unemployment). Again most of these Districts are either Unmixed or Mixed. The exception to this rule is Zante, which, although a Diverse District, contains an ethnic group (Albanian women) with the highest recorded unemployment rate .

## **6. Conclusions and Policy Implications**

In this paper we have systematically analysed the local labour market circumstances of the immigrant populations in Greece. We started with a regional analysis in the level of Geographical Department and consequently we focused particularly on the ethnic composition of the Districts. In general, the majority of immigrants exhibit lower unemployment and higher economic activity rates than the indigenous Greeks. Three immigrant groups (Albanians, Bulgarians and “Other”), which make up two thirds of the foreign-born population of Greece, have lower unemployment rates than the national average and than Greeks as well. The remaining one third of the immigrants exhibit higher than the national average unemployment rates. Immigrants with the worst labour market outcomes consist of people from North America, the former USSR and the most wealthy 14 states of the European Union. The most disadvantaged Geographical Department in terms of unemployment is the Ionian Islands. It presents the highest unemployment rates for the general population for both sexes. Greek men, taken as an ethnic group, present the highest unemployment in the Ionian islands and the same is true for other Europeans as well. Greek women and “Other” women also have the highest unemployment in these islands.

Comparing the two sexes, it is obvious that women exhibit higher unemployment than men do in every ethnic group apart from N. Americans. The national average for women is 13.4% while for men is almost four units lower. The greatest difference is observed in the Albanians. Albanian women have 5.7 percentage units higher unemployment than Albanian men.

The Diversity analysis in the District level showed that the poorest labour market outcomes are observed in Unmixed and Mixed Districts, whereas Diverse Districts are better off. This may be because immigrants are concentrated to Districts that most employment opportunities are to be found. However, this finding comes in sharp contrast with what happens in other European countries where immigrant groups have a longer presence and most of the ethnic minority groups are second generation immigrants (i.e. they have been born in the receiving country and not in their country of origin). In Great Britain for example Diverse areas present the worst labour market outcomes for all ethnic groups and are the most disadvantaged in terms of standard of living and income level (Gavalas 2005, Simpson et al. 2006). In the case of Greece, the current analysis does not provide enough evidence to elucidate why Diverse Districts are better off in terms of employment outcomes than Districts with a higher proportion of indigenous Greeks. A statistical modelling approach with individual data may help, and there is much that only survey and qualitative work can usefully answer. Nonetheless, this review of the census evidence has found many patterns helpful to policy development aimed at tackling inequalities in the labour market particularly in relation to the implications of social and ethnic mixing and the existence of localised extreme circumstances for particular populations.

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