The Impact of Migration on Local Labour Market and Infrastructure in Greece

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Abstract
Migration is a growing global phenomenon, which has a tremendous impact on the demography, culture, economy and politics of every country.

Until recently, Greece was a country of sending labour force. In particular, during the period 1955-1975, a significantly important outflow of home labour force was noted. However, the last decades, the flow of the migratory waves has changed radically. Since the decade of 1970, the inflow of foreigners’ labour force appeared in Greece for the first time. The evolutions, though, that were observed in the 90’s in Greece are particularly important and without historical precedent.

The present paper will study the impact of migration on local labour market and infrastructure in Greece. The structure of the paper is as follows. First, some brief background information on immigration levels and policies in Greece will be provided. The issue of how migration affects labour market conditions and considers changes in the migrants’ position in the labour market and infrastructure in Greece over time will then be clarified. Finally, some important findings and concluding remarks will be presented.

Keywords: Migration, Labour Market, Infrastructure

JEL Classification: F22, J61

Introduction
World migration is increasing and its character is changing. The world’s population of immigrants has increased at a rate exceeding world population growth and the potential for future growth in international migration is nothing less than staggering. Three factors promise more international migration: increased inequality between countries, improved communications and transportation, and settled migrants who can serve as anchors for newcomers (Boyle, Halfacree, Robinson, 1998). Aging populations, labour market deregulation, and the expansion of health services has fuelled the demand for migrants in richer labor-receiving countries, while low wages and un- and under – employment encourage especially young people in poorer countries to seek opportunities abroad.

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The role of structural motive and an individual’s desires and beliefs play in migration has been a major issue in geographical migration studies (White, 1980; Cadwallader, 1989; Cadwallader, 1992). In the 1950s and 1960s, the macro approach dominated. An individual’s migration behaviour was seen as an outcome of his or her changing social environment (Sjaastad, 1960; Olsson, 1965; Rogers, 1967). In the 1970s, the micro tradition became popular. The social context and structural motive was not important in itself, but the way in which it was perceived was critical in explaining the cause of migration (Wolpert, 1965; Brown & Moore, 1970). The research in the 1980s, however, revealed that the best models to explain migration were obtained when the analysis involved variables reflecting both personal and contextual factors (Desbarats, 1983; Landale & Guest, 1985; Cadwallader, 1989). The dominant view held that migration is a complex phenomenon shaped by the interaction of social context and people’s desires and beliefs. The 1990s witnessed lively research activity, with the aim of examining both the influence of social environment and people’s characteristics on their migration behaviour.

As international migration expands, its diversity in terms of origins and destinations, as well as, demographic, and economic characteristics, increases. Developed countries currently take in a disproportionate and growing share of the world’s international migrants. Increasing diversity shows up in the number of countries of origin represented in immigration flows to developed countries (Zlotnik, 1998; Massey & Taylor, 2004). The effects of migration are becoming increasingly multifaceted, both at places of migrant origin and at migrant destinations (Massey & Taylor, 2004; Smith & Edmonston, 1998; Borjas, 1994; Hunt, 1993).

2 The structural motive is the systematic imbalance in economic potential and demographic pressure in a country. The personal decision to migrate is determined by social and personal factors. The structural motive is of great importance for the scale of the actual movement. The decision to migrate is affected by «push» and «pull» factors (Bradley & Taylor, 1994; Cameron, Kirwan & McGregor, 1981; Gosh & Scott, 1977).

3 The major «push-factors» are: relatively low wages, relatively high unemployment, uncertain labour market prospects, lack of capital, political system, adventure, gaining international experience. Main «pull-factors» are: higher standard of living, higher wages, better jobs, better labour market prospects, quality of life and demand for young, well-educated people.

4 For the analysis of the main theoretical approaches of migration see also Massey et al., 1993; Ravenstein 1885 and 1889 in: Faist, 2000; Labrianidis & Liberaki, 2001; Massey et al., 1999; Amin, 1973; Nikolinaokos, 1977; Mousourtou, 1991; Piore, 1979; Castles & Kosack, 1986; King, 2000; Hzy & Pappas, 2005.

5 There are positive and negative effects of migration for the country of origin. These effects differ between short-term and long-term migration. It is characteristic that on the short term there are more positive effects of migration that on long-term. Main positive effects are:
- Temporary decrease in unemployment,
- Payments made by the emigrants to the home region,
- Gain experience or knowledge and
- Social-cultural values exchange.

With long-term migration the negative effects are more to the fore, for example:
- Loss of investment in human capital,
- Decrease in endogenous development capacity,
- A less dynamic, more conservative population, breakdown of social structure and quality of life as a result of «ageing population» (See: Hzy, 2005).
Basic Data on Contemporary Migration to Greece

Until recently, Greece was a country of sending labour force. However, the last decades, the flow of the migratory waves has changed radically.

Until the end of the 19th century the migration from the South Europe to America was a massive phenomenon and, as for the Greeks, they developed a powerful migratory wave to the North America nearby the Italians. It is estimated that 1/10 of the population, that corresponded to 1/5 or to 1/4 of the Greek work force, moved towards the USA during the period 1890-1910. The movement towards the USA presented two peaks; one during 1906-1915 mainly because of the bad economic situation and, in particular, the problems in the agricultural sector and the second, less intensive, during the years 1920-1921, which is due to the movement of some people who had already been refugees in Greece (Emke-Poulopoulou in: Mousourou, 1991). After the institution of a system that controlled quantitatively and qualitatively the incoming migrants (Law of Permitted Limits), which was institutionalized in 1921, the migration to the USA decreases and, substantially, stopped when the economic crisis took place within the period 1929-1932 (Mousourou, 1991). Therefore, during the period 1922-1940 there is a change of the migratory direction mainly to Europe, as well as a significant rise in returning migration, which balanced the migration (Filias, 1974 in: Mousourou, 1991). In the postwar period, an impressive decline of the migration wave to the USA (only 33% of Greek intercontinental migration was heading to this country from 1946 to 1977) and a turn to Australia is observed.

In the postwar period, West Europe and especially West Germany, to which about 50% of the migrants were headed between the years 1955 and 1977, became the main direction of migration. At the same time, there was a gradually increasing wave returning migration, which around the middle of the 70’s, in relation to the decreasing exterior migration, resulted in zero net migration (Filias, 1974 in: Mousourou, 1991). From 1974 to 1985 almost half of the Greeks who had migrated to Europe, returned to Greece (Kasimis, 2002).

After the economies’ crumbling in the countries of existing socialism in Central and Eastern Europe, the incoming of foreign work force increased rapidly reaching from 50.000 economic migrants in 1989 to 762.161 in 2001, according to the Population Census by the National Statistical Service of Greece (see Table 1), that correspond to about 7% of the country’s population changing Greece from a country of sending migrants into a country of reception6.

Firstly, Greece, like the other countries of South Europe, constituted a «waiting-room» for the migrants, afterwards, an intermediate station in their course towards North and, in the end, a permanent destination for a significant number of them (King, 2000). Even if it remains one of the less developed countries of the European Union and has its unemployment fluctuated on high levels, the country has accepted the biggest percentage of migrants in relation to its population and labour force (Kasimis & Papadopoulos, 2005).

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Table 1: Immigration to Greece by region, 2001

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>762.161</td>
<td>415.552</td>
<td>168.586</td>
</tr>
<tr>
<td>East Macedonia and Thrace</td>
<td>15.146</td>
<td>7.796</td>
<td>3.015</td>
</tr>
<tr>
<td>Central Macedonia</td>
<td>100.178</td>
<td>53.811</td>
<td>20.357</td>
</tr>
<tr>
<td>West Macedonia</td>
<td>8.870</td>
<td>5.129</td>
<td>1.443</td>
</tr>
<tr>
<td>Thessaly</td>
<td>31.957</td>
<td>18.945</td>
<td>6.291</td>
</tr>
<tr>
<td>Epirus</td>
<td>15.692</td>
<td>8.610</td>
<td>3.093</td>
</tr>
<tr>
<td>Ionian Islands</td>
<td>19.460</td>
<td>10.059</td>
<td>4.278</td>
</tr>
<tr>
<td>West Greece</td>
<td>35.144</td>
<td>20.937</td>
<td>7.343</td>
</tr>
<tr>
<td>Sterea Ellada</td>
<td>39.397</td>
<td>25.643</td>
<td>7.291</td>
</tr>
<tr>
<td>Peloponnese</td>
<td>47.882</td>
<td>17.813</td>
<td>11.052</td>
</tr>
<tr>
<td>Attica</td>
<td>370.218</td>
<td>110.801</td>
<td>85.594</td>
</tr>
<tr>
<td>North Aegean</td>
<td>9.711</td>
<td>2.962</td>
<td>1.868</td>
</tr>
<tr>
<td>South Aegean</td>
<td>28.112</td>
<td>7.515</td>
<td>6.523</td>
</tr>
<tr>
<td>Crete</td>
<td>40.424</td>
<td>14.938</td>
<td>10.438</td>
</tr>
</tbody>
</table>

Source: National Statistical Service of Greece, 2001

Table 2 shows immigration by country of birth and by immigration approval category. Immigration to Greece is spread over a wider range of source countries.

About 2/3 of the whole migratory population come from the Balkan countries of Albania, Bulgaria and Rumania and 10% of the whole population come from the countries of ex USSR. Albania constitutes the main country of sending, as 57.5% have Albanian citizenship, whereas Bulgarian and Rumanian one is 4.6% and 3% correspondingly; percentages that are significantly lower.

The population of men comes to 54.5% of the whole of migrants while this proportion differentiates according to the country of sending.

Their educational level is considered to be relatively good, with only 10% of them not obtaining elementary education.

About 80% of migrants are at an age they can work (15-64), in contrast to 68% of Greek population and the existence of more elderly Greeks (Baldwin-Edwards, 2004).
Table 2: The Composition of Greek Immigration (absolute numbers)

<table>
<thead>
<tr>
<th>Citizenship</th>
<th>Total</th>
<th>Employment</th>
<th>Return-migrating</th>
<th>Family re-link</th>
<th>Studies</th>
<th>Asylum</th>
<th>Refugees</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>762.191</td>
<td>413.214</td>
<td>51.694</td>
<td>99.968</td>
<td>20.787</td>
<td>9.980</td>
<td>2.368</td>
<td>164.180</td>
</tr>
<tr>
<td>Albania</td>
<td>438.036</td>
<td>240.656</td>
<td>11.869</td>
<td>69.949</td>
<td>8.263</td>
<td>927</td>
<td>35</td>
<td>106.337</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>35.104</td>
<td>27.504</td>
<td>397</td>
<td>2.624</td>
<td>441</td>
<td>158</td>
<td>43</td>
<td>3.937</td>
</tr>
<tr>
<td>Georgia</td>
<td>22.875</td>
<td>11.072</td>
<td>5.154</td>
<td>2.656</td>
<td>283</td>
<td>0</td>
<td>0</td>
<td>3.710</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>18.140</td>
<td>3.735</td>
<td>8.072</td>
<td>2.349</td>
<td>186</td>
<td>0</td>
<td>0</td>
<td>3.798</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>17.535</td>
<td>7.810</td>
<td>4.394</td>
<td>2.085</td>
<td>204</td>
<td>85</td>
<td>19</td>
<td>2.938</td>
</tr>
<tr>
<td>Cyprus</td>
<td>17.426</td>
<td>4.975</td>
<td>648</td>
<td>1.046</td>
<td>6.833</td>
<td>0</td>
<td>0</td>
<td>3.924</td>
</tr>
<tr>
<td>Ukraine</td>
<td>13.616</td>
<td>10.121</td>
<td>526</td>
<td>1.148</td>
<td>199</td>
<td>6</td>
<td>0</td>
<td>1.616</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13.196</td>
<td>5.339</td>
<td>936</td>
<td>1.541</td>
<td>154</td>
<td>0</td>
<td>0</td>
<td>5.226</td>
</tr>
<tr>
<td>Poland</td>
<td>12.831</td>
<td>7.937</td>
<td>251</td>
<td>1.304</td>
<td>125</td>
<td>1.776</td>
<td>129</td>
<td>1.309</td>
</tr>
<tr>
<td>Germany</td>
<td>11.806</td>
<td>3.848</td>
<td>1.581</td>
<td>1.618</td>
<td>231</td>
<td>13</td>
<td>2</td>
<td>4.513</td>
</tr>
<tr>
<td>Pakistan</td>
<td>11.130</td>
<td>10.317</td>
<td>26</td>
<td>211</td>
<td>38</td>
<td>386</td>
<td>1</td>
<td>151</td>
</tr>
<tr>
<td>Australia</td>
<td>8.767</td>
<td>1.210</td>
<td>5.195</td>
<td>853</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>1.469</td>
</tr>
<tr>
<td>Turkey</td>
<td>7.881</td>
<td>1.520</td>
<td>2.559</td>
<td>763</td>
<td>217</td>
<td>1.518</td>
<td>1.067</td>
<td>237</td>
</tr>
<tr>
<td>Armenia</td>
<td>7.742</td>
<td>3.551</td>
<td>1.126</td>
<td>1.179</td>
<td>196</td>
<td>2</td>
<td>0</td>
<td>1.688</td>
</tr>
<tr>
<td>Egypt</td>
<td>7.448</td>
<td>4.958</td>
<td>244</td>
<td>600</td>
<td>129</td>
<td>14</td>
<td>1</td>
<td>1.502</td>
</tr>
<tr>
<td>India</td>
<td>7.216</td>
<td>6.620</td>
<td>10</td>
<td>150</td>
<td>18</td>
<td>154</td>
<td>3</td>
<td>261</td>
</tr>
<tr>
<td>Iraq</td>
<td>6.936</td>
<td>3.380</td>
<td>31</td>
<td>505</td>
<td>66</td>
<td>1.977</td>
<td>407</td>
<td>570</td>
</tr>
<tr>
<td>Philippines</td>
<td>6.478</td>
<td>5.275</td>
<td>34</td>
<td>227</td>
<td>39</td>
<td>6</td>
<td>5</td>
<td>892</td>
</tr>
<tr>
<td>Other Countries</td>
<td>76.034</td>
<td>36.049</td>
<td>8.194</td>
<td>7.735</td>
<td>2.896</td>
<td>1.618</td>
<td>437</td>
<td>19.105</td>
</tr>
</tbody>
</table>


It has been argued that immigrant labour plays a similar role in all industrialized societies. Migrant workers tend to concentrate in unskilled or semi-skilled manual jobs in manufactures, agriculture and construction. According to the Census of 2001, 24.5% of employed migrants is working at building constructions, constituting 1/3 of this sector’s work force, 20.5% at services and 17.5% at the agricultural sector. In fact, even if they gather in big urban centres (80% of total population), their presence in agricultural regions seems to have more important demographic,
economic and social influence (Kasimis, 2004).

This paper has evolved out of a research programme in the framework of the “Archimedes” project, which was mainly carried out in the Province of Ioannina. The Province of Ioannina belongs to the Region of Epirus. The special characteristics that gathers allows a many-dimensional approach of the migratory phenomenon in Greek agricultural space.

In particular:
– It is a region that adjoins with the main country of sending migrants and constitutes a region of economic migrants going through.
– It constitutes a region of accepting economic migrants mainly from one country of sending (Albania).
– It is one of the less developed regions in European Union.
– The agricultural section represents a significant percentage of occupation in the region in which agricultural regions of different type, that are met, combine different activities not only in the primary sector (cattle breeding, agriculture, fishing), but also in the secondary (manufacturing) and the services sector (tourism); a fact that will allow the existence of comparative results.

At this point, there will be presented some statistic data that arose after the registration on data base, the codification and the elaboration of foreigners’ work permits, which were given by the Prefecture of Ioannina and which were active during December in 2004. According to what has already been reported:
– The foreigners, who have been given a work permit that is active in December in 2004, are 1728.
– 85,8% of the work permits constitutes a renewal because of the expiry of the previous work permits. 62% of them have renewed their work permit 3 times and 18,2% has done it twice.
– 84,9% is men and 15,1% is women. This proportion is maintained almost at ages between 15 and 54 years old, but it is changed at the age of 55-64 as follows: 71,6% men and 28,4% women.
– The middle age of foreigners is the age of 36,5.
– Most of them (82,9%) are between 25 and 54 years old, whereas 51% of them are between 25 and 39 years old. The fact that 12,4% of them is between 15 and 24 years old is interesting.
– Even if they come from 24 countries, 86,1% have Albanian citizenship, with second the Indian one (3,7%) and then follows the Bulgarian (2,3%), the Rumanian (1,9%), the Ukrainian (1,4%) and the rest 19 with 4,6% of the foreigners.
– In relation to the type of occupation they provide we observe that:
  – 27,5% provides occupations that relate to the constructive activity.
  – 21% (363 people) are employed as workers on the land, 14,5% are employed in cattle breeding as shepherds (11,5%) are providing other activities around cattle breeding (3%).
  – 1,5% work as forest workers.
  – 10,6% are occupied as workmen/workwomen or as unskilled workers while only 0,2% are occupied as industrial workers.
  – 2,3% work as housekeepers and 1,6% as cleaners.
  – Finally, 2,2% are unemployed.
The impact of immigration on the labour market

When considering the impact of immigration on the labour market, it is useful to make a distinction between micro-level and macro-level studies. On macro-level studies the most interesting is the relationship between migration and aggregates such as GDP, investment, balance of payments, real wages and unemployment. On the micro-level the most emphasis is put on migrants in specific regions, occupations and industries. Such studies have tended to investigate the behaviour of migrants, the degree of substitutions between migrants and natives and the assimilation of migrants in the host labour market.

Another important distinction is that between short run analysis, where the focus is on the immediate impact of immigration on conditions in the host country and the experiences of immigrants themselves, and long-run analyses in which both markets and migrants themselves had the time to adjust to the new circumstances and in which the path of the economy may have changed.

Main question in the problem of the impact of immigration on the labour market is whether immigration in Greece has affected the rate of unemployment and the real wage in the economy. Since immigrants affect both the demand for labour (due to their own demand for domestic goods and services) and the supply of labour (by their own labour force participation), the effect on labour market equilibrium cannot be established a priori. Since immigration increases the size of the labour force (due to the labour force participation of the immigrants themselves) and empirical research suggests that immigrations do not affect the rate of unemployment, it follows that the number of unemployed does increase with a wave of immigration. Whether there will be a net inflow of native workers to the stock of unemployed depends on the unemployment rates of migrants versus natives. This macro-analysis, however, ignores the possible segmentation of the labour market. Moreover, migrants are not a homogeneous group but represent a wide range of occupations, skills and experiences. There is also the important structural factor of ethnicity in determining earnings and this can have its causes both on the demand side (discrimination) and on the supply side (differences in preferences).

If someone wants to investigate the involvement of the migrants in the labour markets in Greece, especially till the first phase of legalization in 1997–1998, he will understand that there was offering of great work force, mostly unskilled, but willing to work in the secondary, non-typical labour market, without insurance and with low rewards, in jobs of low authority and high risk (Vaiou & Hatzimihalis, 1997; Baldwin-Edwards, 2002 & 2004). Their acceptances were lower than the Greek workers’ rewards and differed enough between the sectors of economic activity (Lianos, 1994).

The existence of migrants influences the height of salaries, the occupation, and the gross national product. Generally speaking, the inflow of the work force in a developing economy may be characterized as positive, but it may also affect groups of population in a negative way, such as the unskilled, the seasonal workers, etc. Up to now, the economic studies about the migration’s consequences on the country of acceptance have shown how hard it is to find one-sided and certain answers.

The migration increases the rate of enlarging the work force and, consequently, the rate of enlarging the GDP that depends directly on the former (and on the labour productivity). The
offering of cheap and flexible occupation of legal and illegal migrants has contradictory results. On the one hand, it helps the viability of small family businesses, which are abundant in Greece. They compress the cost of their work and, as a result, the cost of production and they are set contradictive. This reassures, to a point, the viability of the small- and medium-size enterprises and the competitiveness of their products and services, but in the long term and if there will not be right exploitation of the observed redistribution of income in favor of the employers, it may constitute an obstacle in the developing way of a country. According to the INE’s report to the National Statistical Service of Greece (2002) the real labour cost in Greece per unit of product has declined by 27%. It is obvious that this development is due to the cheap work force that the business sector of Greek economy is enjoying. For the primary sector, the migrants’ participation in survival, modernization and expansion of the peasants’ exploitations was determinative. According to a research in three exemplary regions of Kasimis & Papadopoulos (2005), in the mountainous and disadvantaged regions the migrants supported the maintenance of the peasants’ activity and survival of the peasants’ households, while in the flat regions, where the intensive peasantry dominates, constituted the basis for the expansion and the differentiation of the exploitations and the manufacturing industries, considering the easy access to the cheap work force. Their occupation in agricultural production contributed to the decline of the connected to the exploitation family occupation and to the relief of family members since they were occupied with heavy jobs and therefore to the social differentiation of Greek country. In addition, they constituted the basis for the differentiation of sexual roles in the peasants’ families and for the formation of new strategies by the households and offered the required support for the maintenance of the traditional way of life and the improvement of living conditions in the country (Kasimis et al, 2002; Kasimis et al, 2003; Kasimis & Papadopoulos, 2005). The migrants’ job and the low cost of their work were not obstacles in technological development of the peasantry, but only to a restricted point (Kasimis et al., 2003). On the contrary, their low-cost job contributed to the maintenance of low prices in the products and, as a result, to the maintenance of their competitiveness (Vaiou & Hatzimihalis, 1997). Furthermore, the migrants did not replace the local human force, but their occupation acted complementarily (Vaiou & Hatzimihalis, 1997; Kasimis, 2004; Kasimis & Papadopoulos, 2005), even if there was replacement of the indigenous people in certain labour categories such as the unemployed, the land workers, those at a relatively old age, women working in industries of fruits and the workers in constructions sector, as they could not compete with the low rewards. Besides, the unwillingness should be noted among the national labour force to participate in such activities.

According to Konti (1998) the real consequences on salaries and unemployment due to the migration are of minimal extend. At the same time, thanks to these, the flexibility of Greek labour market and the competitiveness of Greek products and services are improved. The decline in the productive cost in branches where the low-cost jobs are occupied reflects to lower prices for the consumers and to bigger profit for the owners of the productive factors. Moreover, it constitutes a way of not inflationary policy, which, by itself, is not in the long term affective. As for the demand for products services, it is empowered by the entrance of a population into the economy. This population will consume goods and services compellingly in order to survive.
Immigration policies in Greece - Main features

Migration is presented often as a policy choice or something, which can be «switched off» with sufficient political will. All the evidence is that this is not the case, that migration is a given and will remain an inevitable feature of a globalising economy for the foreseeable future (Massey, 1999). The challenge for mature policy making is to ensure that the benefits of migration are promoted and its negative impacts are minimised, both for host countries and the sending countries, and for migrants themselves.

Immigration policy is a government effort to regulate and control the entry of immigrants into the country, and to establish the terms under which people can settle there permanently, work there temporarily, or obtain political asylum. Immigration policies are now covered by intergovernmental agreements within the European Union. But this harmonization policy is challenged by three main features: by the interests of each European state, by the existence for some of colonial pasts, and by public perceptions that immigration is a threat. Everywhere in Europe, border control is a priority, and the principle of closure to foreign workers is maintained, except for Europeans. The right to entrance for family reunification, students, highly skilled workers, asylum seekers, tourists with visas, and people dependent on health care has become increasingly restricted. In spite of the growing similarity of basic principles among European states, discrepancies remain in the rights each country grants to foreigners, including right to remain, residence status, social right, and access to work and to citizenship.

The most salient differences between European countries in their approaches to immigration policy include: differences in the right to enter, involving various implementations of asylum rights and interpretations of the Geneva Convention of 1951; the lack of a common policy regarding length of residence card validity or access to citizenship, welfare, or work for families in reunification; the existence of different tools for managing illegal migrants and finally, divergences in the degree of Europization and a growing adherence within states to nationalist policies in response to pressure from national public opinion.

In the contemporary Western understanding of the term, an immigration policy has only recently emerged in Greece. Before 1980, Greece had had a rich history of outmigration while immigration, in the modern era, had been a marginal phenomena. Consequently, Greece had had very little experience in dealing with international migration and no public debate about immigration. When migrants began to move in Greece in the early 1990’s the country lacked not only resources but also a proper legal and institutional framework to deal with the arriving foreigners. The 1990’s brought a gradual development of regulations and policies that could match the new migratory phenomena. Greece has made progress in building legal framework for immigration while gradually clarifying its policy objectives.

A key feature of the emergence of the new Greek immigration regime was its reactive character. Developments in migration were usually ahead of developments in migration policy, which emerged in response to more or less unexpected phenomena. For a relatively long time Greek policy makers, legislators and media did not seriously consider the question «do we really want or need immigrants and why». 
The migration can, if properly managed and facilitated, have positive effects on the labour market, economies and societies of the host countries. It can provide important sources of finance and human capital in order to stimulate development in the origin countries.

Final Conclusions and Research Agenda

Given that there are many aspects of the economies of immigration of interest for research and policy formulation, this paper does not aim to give a complete overview. Instead, the objective was to summarize our research findings in two areas, namely the labour market and urban infrastructure. Despite the progress which has already been made in understanding of the causes and consequences of immigration and in the development of migration streams over time – in relation to gender, education, age and country of origin – there is still a significant set of issues which ought to be addressed in future research (Hyz & Gikas, 2002; Hyz & Gikas, 2006).

An accumulation of research findings can provide the basis for developing a better informed immigration policy. Till now policy makers in Greece have some robust findings particularly at the macro level. But there is a lack of micro-level research. An important cause is the lack of micro-level data. The first is a micro-level study of labour market outcomes in which the wages, other employment conditions and employment levels of migrants are compared with those of natives over time to focus on substitutions or complementarity between the two groups, discrimination, earnings catch up and labour supply behaviour. Another issue is the impact on the public sector in terms of government consumption, investment, taxation and social security. Our first point is that the immigration should be investigated more thoroughly in relation to local labour markets. There is also still need to evaluate systematically the various labour market absorption programmes in order to judge potential projects on their effectiveness and critical success factors. At the same time, a comparison should be made of the impact of economic and social differences across the country on the labour market absorption process of immigrants. Finally, the effect of immigrants on public expenditure and income is another important research question.

The immigration in XXI century should be seen as natural part of global economic integration. As a consequence policy makers should work multilaterally to manage it more effectively. Much as flows of capital, commodities and goods are managed for the mutual benefits of trading partners labour migration can also be cooperatively managed to maximize the benefits and minimize the costs for both sending and receiving societies.
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