

Refugees: The Unlikely Partner in Greek Economic Recovery

Corinne Candilis

METAdrasi, the Greek NGO that got its start providing interpretation services for refugees in Athens, has exploded its offerings to include integration services specifically focused on unaccompanied minors. NGOs throughout Greece now provide placement services for an estimated 60,000-80,000 migrants who await decisions on their asylum and re-patriation requests.

It seems intuitive that refugees have a negative economic impact on host countries, especially those experiencing an economic crisis. Host countries use resources to care for refugees – resources they could otherwise direct toward fiscal expansion or other domestic relief. This belief is rarely challenged in public discourse, in fact it is exploited by political parties that take fierce anti-immigrant stances. Economic arguments provide the foundation for anti-refugee policies from Hungary and Poland to Great Britain and the US.

METAdrasi and economic scholars offer a different perspective. The Greek economic crisis may in fact be mitigated by the flow of refugees now settled in and around Athens. One reason for this effect is Greece's aging population. With working-age Greeks fleeing the crisis, there is a smaller pool of workers to pay for retiree pensions. In addition, the refugees bring new business ideas and perspectives into the largely homogenous population. The number of businesses being created has actually grown despite the nation's tentative recovery – new businesses largely being created by immigrants and refugees who assist in the slow re-expansion of the Greek economy. Refugees can cater to the dietary and cultural requirements of their own people, which in turn become broadly popular and are integrated into Greek culture.

Economic data corroborates these local observations and provides a strong rebuttal to the misconception that refugees are always an economic strain. The International Monetary Fund (IMF), for example, found that by the end of 2017 in Germany, Sweden, and Austria, refugees boosted their economies by 0.3%, 0.4%, and 0.5%, respectively. Study authors Mette Foged and Giovanni Peri found that refugees nudged less educated natives out of lower paying jobs, but that those natives switched to jobs that involved less manual labor, sometimes with higher salaries.

Recently, the Organization for Economic Cooperation and Development (OECD) found that refugees contributed 0.35% growth on average between 2007 and 2009, with

little variation between nations. Over the longer term, refugees who had been in the US for 20 years contributed \$21,000 more in taxes than they received in benefits. Excluding countries like Jordan and Lebanon which are clearly overwhelmed, even less positive findings don't necessarily find economically significant effects on wages: a recent paper by Oxford University's Stephen Nickell and the Bank of England's Jumana Saleheen found that a 10% rise in the share of migrants working menial jobs like cleaning, depressed wages for such positions by just 2%.

Beyond these more general studies, the Greek economy exhibits characteristics that allow refugees to contribute. The IMF has noted that flexible labor markets are critical to ensuring that refugees contribute swiftly and efficiently. Flexible labor markets are those which encourage job turnover and wage flexibility; these elements allow more workers to be hired quickly during periods of growth, but may not protect workers during downturns. Weaker unions, for example, may be a characteristic of such flexibility. In its discussion of the flexibility of labor markets in Greece, the London School of Economics indicated that although part time and subsidized employment were not commonly used by employers, temporary employment was. Despite the traditionally low use of part time and subsidized employment, the economy in recent years has exhibited a significant trend toward part time and shift work. These forms of employment provide various opportunities for labor flexibility, and consequently provide various avenues for refugees to bolster a nation's economy.

METAdrasi and others improve awareness of such economic evidence, allowing policymakers and voters to understand the true economic consequences of refugee influxes. At the same time, a number of non-crisis nations have seen nationalist waves employ faulty economics to justify anti-refugee policies. Economically-distressed groups and their demagogues fuel these movements, perceiving the exclusion of outsiders as a simple solution to multi-faceted economic turmoil; the spread of robust economic analysis can help deter this rise. Good economics, like educational initiatives and targeted political advocacy, is only one tool available to fight anti-refugee policies. No approach stands alone as the only tool to combat misunderstanding and political opportunism.

American Journal of Contemporary Hellenic Issues | Copyright © 2020 American Hellenic Institute Foundation, Inc.

All rights reserved. All articles appearing in the *American Journal of Contemporary Hellenic Issues* are the copyright of the Journal. The online edition is free to individuals and institutions. Copies of the individual articles are strictly prohibited. Reproduction, storage or transmission of this work in any form or by any means beyond that permitted by Sections 107 and 108 of the U.S. Copyright Law is unlawful without prior permission in writing of the publisher, or in accordance with the terms of licenses issued by the Copyright Clearance Center (CCC) and other organizations authorized by the publisher to administer reprographic reproduction rights. Distribution of the published articles for research or educational purposes is possible, but requires the formal authorization of the Journal editor and the authors. Commercial use of the AHIF Policy Journal or the articles contained herein is expressly prohibited without the written consent of the Managing Editor at AHIFPolicyJournal@aheworld.org. AHIF 1220 16th Street NW, Washington, DC 20036.