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THE CHANGING FACE OF EMIGRATION

HARNESSING THE POTENTIAL OF THE NEW GREEK DIASPORA

By Jennifer Cavounidis

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Table of Contents

Executive Summary	1
I. Introduction	1
II. Historical Overview and Demographic Trends	2
A. Historical Overview	2
B. Current Demographic Trends	4
III. Policy Overview: Structural Reforms and Diaspora Engagement	7
A. Structural Reforms and Economic Incentives	7
B. Diaspora Engagement	8
IV. Conclusions and Policy Recommendations	11
Works Cited	13
About the Author	15



Executive Summary

Greece experienced two periods of major emigration in the 20th century—one at the century’s start and the other in the post-World War II years. Both primarily consisted of low-skilled workers seeking unskilled or semi-skilled jobs abroad. By the 1970s immigration and a growing domestic economy had transformed Greece into a migrant-receiving country. As a result of the Greek economic crisis, which has had devastating economic effects and wrought profound political and social change, Greece has once more become a country of emigration. This time, a new group is choosing to leave Greece: highly educated young people who have better job prospects at home than their less-educated peers, but nevertheless decide to seek opportunities abroad. The emigration of this new group poses discrete policy challenges, particularly as the country faces a dramatic refugee crisis, which comes on the heels of severe economic difficulties in the wake of the global recession and the Greek fiscal crisis.¹

After World War II, Greece’s government actively encouraged the emigration of its less-educated citizens as a way to relieve pressure on the domestic labor market; then, in the mid-1970s, it started to introduce repatriation incentives due to concerns about the long-term effects of sustained emigration. While Greece has no explicit emigration policies in place today, it has developed some initiatives to map and engage its diaspora in order to utilize its resources for economic development at home—but much more needs to be done if the diaspora’s assets, skills, and expertise are to be harnessed to contribute to home-country development.

*This time, a new group is choosing to leave Greece:
highly educated young people.*

As unemployment levels remain at near-historic highs—about half of Greek youth of working age are unemployed—many of Greece’s emigrants will choose to stay overseas. Greece needs to consider how it can help these citizens successfully integrate at destination and, in turn, meaningfully contribute to their country of origin. Working with private-sector and civil-society actors, the Greek government can forge lasting ties with the Greek diaspora and tap the valuable knowledge and skills of this population to assist the country’s economic recovery. At the same time, significant reforms must be implemented in order to place Greece on a new economic trajectory in which the skills and talents of its youth can be successfully utilized, thereby stemming outflows and prompting the return of many of those who have left.

I. Introduction

Over the course of the 20th century, Greece transformed from a major country of emigration into a migrant-receiving country. Now, Greece is once again experiencing emigration in the wake of the economic crisis that began in 2008. Unlike earlier waves of emigration that were composed mostly of low-educated workers, current emigrants are mostly well-educated youth escaping extremely high youth unemployment levels—which reached 57 percent in the third quarter of 2013 and remained at 49 percent in the third quarter of 2015.² These outflows are simultaneous to unprecedented inflows of refugees and unauthorized migrants,

1 This report does not deal with the major challenges Greece has faced in receiving and attempting to process the cases of hundreds of thousands of asylum seekers and other migrants in 2015.

2 Eurostat, Employment and unemployment (Labour Force Survey) (t_employ), Harmonised unemployment by sex – age group 15-25 (teilm011),” accessed December 15, 2015, <http://ec.europa.eu/eurostat/web/lfs/data/main-tables>.



posing a fresh set of challenges for Greek policymakers.

This report examines Greek emigration, and its economic implications, before exploring policy directions to minimize the costs and maximize the benefits of this mobility. It discusses institutional reforms that can create greater opportunities in Greece, thereby stemming outflows and rendering return an attractive option, and then turns its attention to diaspora engagement policies to harness the assets, skills, and knowledge of Greeks abroad to enhance development at home. While the world's attention is currently focused on the dramatic inflows of asylum seekers across the Mediterranean, the question of who is leaving—and how the country should respond—continues to be of paramount importance to the country's long-term vitality.

II. Historical Overview and Demographic Trends

A. Historical Overview

Greece experienced two major waves of emigration during the 20th century. The first began before the close of the 19th century, tapering off around 1920. It is estimated that around 5 percent of the Greek population emigrated in this period.³ The United States was the main destination for these emigrants, attracting approximately 95 percent of Greek emigrants in the 1900-20 period, the vast majority of whom were men.⁴ Statistical analysis finds Greek emigration levels in these years to be associated with U.S. employment levels and a welcoming network of Greek expatriates that grew over the period. It is estimated that about 60 percent of the emigrants who left in 1900-20 ultimately returned to Greece.⁵

The second major wave of emigration took place between 1955 and 1977, when approximately 14 percent of Greece's population left.⁶ Emigration levels in this period correlate with Greece's unemployment rate and per capita income.⁷ Most headed for the booming postwar economies of Northern Europe, with just over half moving to West Germany; other popular destinations were Australia (which received 14 percent), the United States (11 percent), and Canada (7 percent). This new wave of emigration was much more balanced across genders than the previous wave: men made up 59 percent of the outflow. The return rate was slightly lower, estimated at 53 percent between 1968 and 1977.⁸ In stark contrast to the current outflow of highly skilled talent, the overwhelming majority of postwar emigrants were low skilled (compared with both today's cohort, as well as the total population at the time). Ministry of Labor data for registered emigrants between 1963 and 1965 indicate 86 percent had completed elementary school at most and 7 percent were illiterate, while less than 1 percent had a university diploma.⁹

Greece's 1950-53 Development Plan promoted the emigration of workers both as part of its employment

3 Men accounted for approximately 95 percent of the flow to the United States between 1900 and 1910, and 87 percent of the flow in the following decade. See Theodore Lianos and Jennifer Cavounidis, *Migrant Flows from and to Greece in the 20th Century* (Athens: Centre for Planning and Economic Research [KEPE], 2012).

4 Ibid.

5 Ibid.

6 Ibid. Mean population estimates from the 1961 and 1971 censuses.

7 Lianos and Cavounidis, *Migrant Flows from and to Greece*. Authors' statistical analysis based on per capita income by region from Evangelos Bouloudakis and Evstathios Panourgias, *Estimate of Regional (by Prefecture) Distribution of National Income 1961, 1971* (in Greek) (Athens: Bank of Greece, 1980); unemployment figures from data of local public employment offices.

8 Calculation by Lianos and Cavounidis, *Migrant Flows from and to Greece*, based on Hellenic Statistical Authority, *Statistical Yearbook of Greece*, various years (Athens: Hellenic Statistical Authority, various years), http://dlib.statistics.gr/portal/page/portal/ESYE/categoryyears?p_cat=10007369&p_topic=10007369.

9 Ibid. The authors caution that the data are not representative of emigrants but concern only those registering with the Ministry of Labor.



policy and as an attempt to deal with external balance constraints.¹⁰ A bilateral agreement was concluded with West Germany in 1960 to create recruitment centers, through which approximately 381,000 Greeks moved to West Germany.¹¹ However, by the time the Greek government drafted its 1966-70 Development Plan there were concerns that the huge scale of emigration could lead to future problems. By the mid-1970s Greece had introduced incentives for repatriation such as noteworthy reductions in taxes and import duties, as well as favorable terms for the purchase of land and other assets with foreign exchange. In the meantime West Germany had entered economic recession, and in 1973 banned new inflows of migrants, allowing only family reunification. In 1980 Greece and West Germany signed a new bilateral agreement in which West Germany offered financial incentives for repatriation in an attempt to reduce its stock of immigrants.

The mass exodus of Greeks in the postwar years was widely commented upon by social scientists at the time. Many analysts highlighted the positive effects of this outflow—far from current depictions of emigration as “brain drain.” Emigration was thought to have reduced rural unemployment and underemployment: after an initial decline in agricultural production and exports, output rebounded, aided by increased employment opportunities for rural workers and the mechanization of agriculture.¹² Furthermore, remittances proved an important source of foreign exchange.¹³ In stark contrast, a recent survey¹⁴ of today’s emigrant university graduates revealed that respondents were not sending remittances back home; in fact, many were receiving monetary support from their families in Greece.

By the mid-1970s Greece had introduced incentives for repatriation such as noteworthy reductions in taxes and import duties.

Another strand of postwar discussion focused on the spatial consequences of emigration: some expressed alarm about the depopulation of the Greek countryside,¹⁵ while others claimed emigration helped reduce high internal migration to Greek urban centers, thereby retarding urbanization and containing urban unemployment.¹⁶ Some observers voiced hopes that emigrants to West Germany and other Northern European economies would return with manufacturing skills that would facilitate industrial growth in Greece. But these hopes were not fulfilled as Greek emigrants mainly performed unskilled work abroad; once repatriated, they were either unemployed or worked in semi-skilled or unskilled jobs.¹⁷ Verdicts concerning the overall effects of migration on development in Greece were mixed. One study ascertained only a “tentative relationship between the two,”¹⁸ citing negative consequences such as the creation of a new layer of the middle class dependent on remittances, while others concluded that emigration had made a substantial contribution to Greek development. There appears to be a consensus, however, that Greece could have benefited more from postwar emigration if it had developed effective policies to channel migrant savings and remittances to productive uses and to facilitate the reintegration of returnees.¹⁹

10 Nicholas Glytsos and Louka Katseli, “Greek Migration: The Two Faces of Janus,” in *European Migration: What Do We Know?* ed. Klaus Zimmermann (Oxford: Oxford University Press, 2005).

11 Ibid.

12 Ibid.

13 Unfortunately, it is difficult to compare remittances sent by new emigrants to those sent by emigrants in the past.

14 Lois Lambrianidis, *Investing in Departure: The Drain of Scientists from Greece in the Age of Globalisation* (in Greek) (Athens: Kritiki Publications, 2011).

15 Demetrios G. Papademetriou, “Illusions and Reality in International Migration: Migration and Development in Post World War II Greece,” *International Migration* 23, no. 2 (1985): 211-24.

16 Glytsos and Katseli, “Greek Migration.”

17 Ibid.

18 Papademetriou, “Illusions and Reality in International Migration,” 217.

19 Glytsos and Katseli, “Greek Migration.”



B. Current Demographic Trends

Greece first exhibited a positive migration balance—whereby immigration outstripped emigration—in the mid-1970s. Inflows were composed mainly of returning emigrants but also included immigrants arriving from countries in Africa and Asia such as Egypt, the Philippines, and Pakistan. Following the collapse of socialist regimes in Central and Eastern Europe beginning in 1989, immigration took on major proportions. The 2001 population census of Greece enumerated approximately 762,000 foreigners, accounting for 8 percent of the total population (while most observers placed their actual proportion around 10 percent), and the 2011 census listed around 914,000 foreigners, accounting for 9 percent (with observers claiming this to be another undercount). More than three-quarters of the foreigners present in Greece in 2001 and 2011 were from former socialist regimes in Central and Eastern Europe; Albanians alone accounted for 58 percent of Greece’s foreign nationals in 2001 and 53 percent in 2011.²⁰ In 2004 it was estimated²¹ that 25 percent of the population of Albania had emigrated, accounting for 35 percent of its labor force, and that of the 900,000 emigrants abroad, 600,000 were in Greece. In 2001 the next-most-numerous foreign nationals present in Greece (though far behind Albanians) were from Bulgaria, Georgia, and Romania (each accounting for between 3 and 5 percent of foreign nationals). In 2011 Bulgarians, Romanians, and Pakistanis accounted, respectively, for 8, 5, and 4 percent of foreign nationals in Greece. Most of the immigrants who arrived in Greece in the 1990s and early 2000s did not have proper documents but were granted temporary legal status in one of three regularization programs that Greece carried out between 1998 and 2005. Many, if not most, of these regularized immigrants achieved substantial steps toward integration prior to the onset of the economic crisis in 2008. But mass unemployment since 2008 has created serious problems for those seeking to renew their permits, a process that requires proof of employment with social security contributions. As a result, many legal migrants have lapsed into irregular status.²² The current economic crisis has also prompted many immigrants to return home. The decrease in the number of registered foreigners—from about 610,800 in 2009 to 450,000 in June 2014²³—appears to be the result of both return migration and lapses into irregularity.

Greece first exhibited a positive migration balance—whereby immigration outstripped emigration—in the mid-1970s.

At the same time, hundreds of thousands of asylum seekers and other migrants have poured into Greece, trying to reach destinations further north in the European Union. Between January and October 2015, more than 580,000 individuals followed the Eastern Mediterranean route into the European Union, crossing from Turkey to Greek islands in the Aegean Sea, while hundreds lost their lives in the attempt. Well over half of those arriving on the islands were Syrians, while most of the others were from Afghanistan and Iraq.²⁴ It is against this backdrop of return migration and continued massive inflows that a new wave of Greek emigration is taking place.

20 These data refer to foreign citizens who are *not* dual nationals, in other words, excluding foreign-born citizens who later acquired Greek citizenship. It should be noted that migrants who have acquired Greek citizenship are almost entirely of Greek origin, mainly from the former Soviet Republic, and in common parlance are not referred to as migrants but as returnees, whether or not they have previously set foot in Greece. For migrants without Greek origin, access to naturalization has been very restrictive.

21 Barbara Kosta, “Albania: Looking beyond Borders,” *Migration Information Source*, August 1, 2004, www.migrationpolicy.org/article/albania-looking-beyond-borders.

22 Jennifer Cavounidis, “Migration and the Economic and Social Landscape of Greece,” *South-Eastern Europe Journal of Economics* 11, no. 1 (2013): 59–78.

23 Organization for Economic Cooperation and Development (OECD), *International Migration Outlook 2015* (Paris: OECD Publishing, 2015), www.oecd.org/migration/international-migration-outlook-1999124x.htm.

24 Frontex, “Eastern Mediterranean Route,” accessed December 14, 2015, <http://frontex.europa.eu/trends-and-routes/eastern-mediterranean-route>.



Box 1. Emigration Data Challenges

It is difficult to accurately assess the scale of Greece's new wave of emigration. No official data on immigration or emigration have been available since the Greek statistical authority stopped collecting migration data in 1977. And while the Athens branch of the International Organization for Migration (IOM) collects some information on immigration to Greece, it has not concentrated on Greek emigration since the postwar decades. Most of the figures in this report, therefore, come from census records (showing the change in numbers of Greek and foreign-national populations over time) as well as from the number of valid residence and work permits.

There is a paucity of data on the demographic profile of current emigrants from Greece. According to reports provided by Greek consular services abroad to the General Secretariat for Greeks Abroad, there are four main categories of new Greek immigrants to other countries: (1) Greek citizens who emigrated to these countries in the past, returned to Greece, and re-emigrated during the recent recession; (2) the children and relatives of the first group; (3) highly skilled professionals such as medical doctors and engineers; and (4) lower-skilled individuals, often with poor information about job prospects abroad, who tend to arrive without prior arrangements for work or shelter and often end up contacting consular authorities for assistance in returning to Greece.

While all Greek citizens can move freely within the European Union, those with previous experience residing in other Member States are better positioned to make the move, as they already possess networks that can be revived and are familiar with the environment. On the other hand, the outflows to countries with migration restrictions—such as Canada, Australia, and the United States—appear to be composed mainly of individuals who already have the necessary documents (e.g., citizenship) or can obtain them by virtue of provisions for family reunification. Therefore, data on Greeks leaving for such destination countries do not reflect the true size of migration flows, given that some are already citizens of their destination countries and are therefore not considered immigrants.

The abrupt increase in unemployment since the end of 2008, along with deteriorating job and career development prospects, has pushed Greeks to seek employment abroad. The Greek unemployment rate was 25 percent in the third quarter of 2015, but was much higher among young people: 49 percent for those under the age of 25.²⁵ High unemployment rates are observed across educational groups: in the second quarter of 2015, unemployment was 12 percent among those with a postgraduate degree, 20 percent among those with an initial university degree, 27 percent among those with a six-year secondary school degree (lyceum), and 28 percent among those with a three-year secondary school degree (gymnasium).²⁶ The unemployment rate of those with a postgraduate degree has consistently been the lowest of all educational groups since the beginning of the crisis.²⁷ During the crisis, wages and salaries have declined notably in both the public and private sectors. In February 2012 the minimum wage was officially reduced by 22 percent (and by 32 percent for those under age 25), thereby triggering decreases for many private-sector employees, given that collective-bargaining agreements set their salaries on the basis of the minimum wage.

Besides current labor market conditions, the negative outlook for the Greek labor market in coming

25 Eurostat, "Unemployment rates by sex, age, and nationality (%)," last updated May 6, 2015, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsq_urgan&lang=en.

26 Ibid.

27 Hellenic Statistical Authority, "Labour force (Quarterly) / 2nd Quarter 2015," www.statistics.gr/en/statistics/-/publication/SJ001/.



years and the resulting gloomy prospects for career trajectories²⁸ continue to motivate natives to emigrate. Eurobarometer survey data reveal that among EU Member States, people in Greece have particularly negative perceptions of their future job prospects.

Data for legal emigration from Greece to other OECD countries for the decade through 2012 reveal that the flow from Greece to these destinations decreased between 2000 and 2004, began to increase slightly from 2005, and then abruptly from 2009.²⁹ Germany was overwhelmingly the destination for Greek emigrants in 2012. According to the same OECD data, nearly 33,000 Greeks arrived in Germany in that year, while the next two top OECD destinations for new emigrants from Greece were the United Kingdom and the Netherlands, with 6,000 and 3,000 respectively. It should be noted that in recent years increases of emigration to Germany were also noted for other southern European countries hard hit by the recession but were not as spectacular as those exhibited by Greece.

Despite a lack of data on the educational qualifications of new emigrants, anecdotal evidence suggests that the present wave is composed mainly of young, well-educated Greeks with university degrees. As noted above, Greek unemployment data reveal that youth with a university education have lower levels of unemployment than other educational groups, but it appears that labor demand in desired destination countries corresponds more to their qualifications than those of secondary school graduates, plus they are undoubtedly more adept than the latter in using the Internet and other tools to investigate job opportunities abroad.

Anecdotal evidence suggests that the present wave is composed mainly of young, well-educated Greeks with university degrees.

In 2010 it was estimated that between 110,000 and 135,000 tertiary graduates born in Greece were working abroad, or between 8 percent and 11 percent of the tertiary graduates who live in Greece.³⁰ Of course, these figures include Greeks who have left over the past decades and not just those of the latest wave. According to one assessment,³¹ it is particularly the most talented Greek graduates who are working abroad.

Two surveys³² have attempted to map the profile of university graduates working abroad, but the authors of both express caution about the representativeness of the results: both used web-based questionnaires and snowball techniques. The main reasons cited by respondents for working abroad were that they could not satisfactorily utilize their knowledge and skills or find the same opportunities for career advancement and recognition in Greece. Many respondents also cited the superior work environment and quality of life they encountered abroad. Both studies find that Greek youth increasingly see their careers and lives in a global frame, more so than did youth of the past. Even of those employed in Greece, many considered migrating to acquire new professional and personal experiences, and some to escape the perceived constraints of Greek society and family.

28 Of the 27 EU countries included in the survey, Greece suffered the largest increase (30 percent between 2006 and 2012) in the proportion of people who expected their personal job situation to worsen over the next year. See Simone Bertoli, Herbert Brucker, and Jose Fernandez-Huertas Moraga, "The European Crisis and Migration to Germany: Expectations and the Diversion of Migration Flows" (IZA Discussion Paper 7170, Institute for the Study of Labor, Bonn, January 2013), <http://ftp.iza.org/dp7170.pdf>.

29 OECD, *Connecting with Emigrants: A Global Profile of Diasporas 2015* (Paris: OECD Publishing, 2015), www.oecd.org/publications/connecting-with-emigrants-9789264239845-en.htm.

30 Lambrianidis, *Investing in Departure*,

31 Benedikt Herrmann and Alexander S. Kritikos, "Growing out of the Crisis: Hidden Assets to Greece's Transition to an Innovation Economy," *IZA Journal of European Labor Studies* 2, no. 14 (2013), www.izajoels.com/content/pdf/2193-9012-2-14.pdf.

32 Lambrianidis, *Investing in Departure*; Anna Triandafyllidou and Ruby Gropas, "Voting with their Feet: Highly Skilled Emigrants from Southern Europe," *American Behavioral Scientist* (October 2014): 1-20, <http://cadmus.eui.eu/bitstream/handle/1814/31511/VotingWithTheirFeet.pdf?sequence=2>.



A debate over “brain drain” has emerged. Some stress the dire consequences of the exodus of human capital for the development prospects of Greece. Others point to the brain waste incurred by the unemployment and underemployment of educated youth. It should be noted that this debate does not intersect with that on immigration, which focuses mainly on recent inflows of asylum seekers and economic migrants and to a lesser extent on earlier migrants. Given that most all earlier, documented immigrants employed in Greece perform unskilled or semi-skilled work, regardless of their educational qualifications (some have university diplomas from their countries of origin that they are unable to utilize in Greece), it is not surprising that they are perceived as belonging to a different end of the labor market than the Greeks who are leaving and therefore are not competing. It should be noted that there is little if any discussion of this brain waste.

III. Policy Overview: Structural Reforms and Diaspora Engagement

A. Structural Reforms and Economic Incentives

Current concerns about the impact of emigration on the Greek economy have not resulted in specific policies to stem outflows or explicitly encourage return. However, the government has introduced various structural reforms—both in the regulatory framework for businesses and in the labor market—that aim to boost entrepreneurship, investment, and employment. At the same time, it has utilized EU funds to implement programs that offer subsidized training and employment, as well as funding for business start-ups. Such initiatives may help curtail outflows, and, if the structural reforms help put Greece on a development trajectory, they may eventually induce the return of some emigrants.

Current concerns about the impact of emigration on the Greek economy have not resulted in specific policies to stem outflows or explicitly encourage return.

In the 1970s many government programs were in place to reintegrate Greeks returning from West Germany and other countries of Northern Europe that had entered recession early in the decade. Likewise, many large-scale programs (including housing provision) functioned in the late 1980s to receive migrants of Greek origin arriving from countries of the former Soviet Union. Many such arrivals had rudimentary if any knowledge of the Greek language, and faced serious obstacles when settling in a “homeland” they had never set foot in. Today, in contrast, very few policies are in place to facilitate the temporary or permanent return and reintegration of the current wave of emigrants. On the other hand, there are a few government initiatives today that actually facilitate emigration, albeit of a limited duration. One example is a recent bilateral agreement with Australia, signed in May 2014 and promoted by the Greek diaspora of Australia. Greek and Australian youth ages 18 to 30 may now apply for one-year tourist visas that grant the right to work in the partner country.

Political parties, the media, and the public have long recognized the need to reform the Greek educational system, at both the secondary and tertiary levels, to provide youth with knowledge and skills commensurate with the new world of work. It was envisaged that a landmark law on tertiary education passed in 2011 with the support of the two major parties—an unprecedented event in the history of



Box 2. Case Study: The Emigration of Medical Doctors from Greece

Greece has long had a surplus of medical doctors—as well as a mismatch between the supply and demand for specific medical specialties. This reflects the long-standing failure of the educational system to adapt to labor market needs.

A government-commissioned report ascertained in 1976 that the per capita ratio of doctors was exceptionally high compared with that of other countries, and warned that the size of the medical student intake at the time would further exacerbate this surplus. However, the admission numbers of public medical schools were not adjusted downwards. In 2000 Greece already had the highest number of practicing doctors per 1,000 people of all the Organization for Economic Cooperation and Development (OECD) member countries. By 2012 the per capita ratio of doctors in Greece, at 6.1 per 1,000, far outstripped that of its nearest rival among OECD countries, Austria (4.8), while the OECD average was 3.2.

According to OECD data, the number of doctors trained in Greece and working in other countries has risen remarkably in recent years, with Germany dominating as the destination. The number of Greek-trained doctors working in Germany increased by 50 percent between 2008 and 2012, from just over 1,700 to nearly 2,600; increases also were seen in the United Kingdom and Sweden. The exodus of Greek medical graduates is spurred by lack of domestic employment opportunities and long wait times (often years) to begin training for their medical specialization.

Source: OECD, *International Migration Outlook 2015* (Paris: OECD Publishing, 2015).

modern Greece—would facilitate the reform of tertiary institutions, but resistance within universities has thwarted its implementation.

Structural reforms of the labor market and of entrepreneurial activity in particular may be needed for the Greek economy to regain competitiveness and create employment opportunities at home. Greece has recently made noteworthy progress in these spheres.³³ New legislation has decreased protectionism in the labor market, facilitating hiring by reducing barriers to dismissal and its cost for employers. At the same time, “closed occupations”—characterized by stiff obstacles to entry—have become more accessible. Regulations have been loosened for the establishment of pharmacies and for permits for taxis, for example, as well as for entry into professions as various as notaries public and engineers. With regard to entrepreneurship, between 2013 and 2014 Greece improved its overall ranking in the World Bank’s index on ease of doing business, moving from number 72 to 60 among 189 countries.³⁴ Along specific dimensions of the index, Greece showed remarkable progress: for example, for the ease of starting a business, Greece improved its ranking from 146 in 2012 to 54 in 2014, but the country continues to rank very poorly for registering property and enforcing contracts.³⁵

B. Diaspora Engagement

A number of government and civil-society initiatives connect with the Greek diaspora and encourage

33 Centre for Planning and Economic Research (KEPE), *Development Vision for Greece of 2020* (Athens: KEPE, forthcoming 2014).

34 World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, DC: World Bank, 2014), www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB15-Full-Report.pdf.

35 World Bank, *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* (Washington, DC: World Bank, 2012), www.doingbusiness.org/reports/global-reports/doing-business-2013; World Bank, *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises* (Washington, DC: World Bank, 2013), www.doingbusiness.org/reports/global-reports/doing-business-2014; World Bank, *Doing Business 2015*.



their contributions—financial, entrepreneurial, and academic—to their country of heritage. Many such initiatives reflect the particular challenges of the current economic crisis and the resulting rise in emigration. For example, the Greek government’s General Secretariat for Greeks Abroad (GSGA) is identifying the needs of new emigrants in various destination countries. Similarly, newer civil-society-led initiatives such as The Hellenic Initiative are focusing their expertise on revitalizing the Greek economy.

GSGA maintains several databases on the Greek diaspora.³⁶ For decades it compiled a roster of Greek diaspora organizations—which at last count numbered around 3,000—but the database has not been updated in the past three years.³⁷ These organizations are mainly of three types: destination-based (e.g., the Greek community of Munich), ethnolocal-based (e.g., Greeks of Cretan origin), and professional (e.g., Greek American lawyers). At the request of the government, GSGA recently compiled lists of Greek businessmen abroad and Greek language programs, of all types (within schools, afternoon classes, etc.), in operation throughout the world. With the help of Greek consular authorities in destination countries, it also compiled a list of diaspora organizations’ philanthropic contributions to Greek nongovernmental organizations (NGOs), made in response to the Greek economic crisis. These databases are complemented by the work of several other Greek government agencies that have also created registries of diaspora members for various purposes. One example is the Hellenic Quality Assurance and Accreditation Agency, whose database of Greek scholars and academics abroad is utilized to form committees for the external evaluation of Greek universities.³⁸

Despite its efforts to map the diaspora, the Greek government’s tools may be out of tune with new segments of its target population.

As noted by senior GSGA representatives,³⁹ the current wave of emigration creates new needs at a time when budgets and available funds have been decimated. Among the measures taken in response to the emigration wave is a collaboration with consular authorities to update consular websites with information on settlement in a particular country, necessary procedures, potential problems, etc. Among the examples of new needs identified by GSGA are educational provisions for the large numbers of Greek children arriving in Germany without any knowledge of the German language.

Despite its efforts to map the diaspora, the Greek government’s tools may be out of tune with new segments of its target population. GSGA outreach to its newest diaspora members rests on the premise that the traditional focal points of Greek communities abroad (such as the Greek Orthodox Church and Greek cultural activities)⁴⁰ appeal to current emigrants. While this might be the perception of older, established emigrants who participate in such organizations and provide information to GSGA about new arrivals, it is doubtful whether new emigrants approach such organizations to the same degree as their predecessors. The typical young Greek emigrant is highly educated, is an avid user of information technologies, and is

36 The General Secretariat for Greeks Abroad (GSGA) is a government agency founded in 1983 under the aegis of the Ministry of Foreign Affairs, charged with the planning, coordination, and implementation of policies concerning the Greek diaspora, including the successful integration of those returning to Greece. It aims to strengthen ties between the Greek diaspora and their country of heritage by promoting Greek language, history, and culture.

37 GSGA, “Diaspora Organizations,” accessed December 29, 2014, www.ggae.gr/frontoffice/portal.asp?cpage=NODE&cnode=10&-clang=1.

38 Hellenic Quality Assurance and Accreditation Agency, “Quality Assurance,” accessed December 29, 2014, <http://qa.auth.gr/en/node/2008>.

39 Author interviews with GSGA directors, May 2014.

40 According to information provided to the Secretariat by diaspora organizations, most of today’s Greek emigrants, like those of the past, make their first contacts after arrival in the destination country at Sunday services of the local Greek Orthodox Church, learning about and connecting with local Greek community organizations. Author interviews with GSGA directors, May 2014.



likely to identify as a cosmopolitan participating in a global society. The meeting places and organizational backbone of the new diaspora—or at least of substantial proportions of it—may be social media and the myriad new websites and blogs created by current and would-be young emigrants.

GSGA needs to seek alternate sources of information about the new diaspora other than traditional diaspora organizations, and explore new ways of staying in touch with today's wave of emigrants. Top GSGA officials are aware of the importance of social media and new communication technologies, and express interest in developing new strategies and experimenting with interactive media.⁴¹ But the challenges facing GSGA are much broader. The agency needs to rethink its mission and the purpose of its painstaking work to stay in contact with migrant organizations. The creation of a high-level coordinating body could facilitate collaboration between the government and diaspora groups, bringing together various ministries and agencies engaging in activities related to diaspora needs—and drawing on the diaspora to promote national goals. The leadership of GSGA is well aware⁴² of the diaspora's potential to further national goals, not only in the realm of foreign policy but also in economic development, and appears eager to develop strategies together with the government to tap this potential. The government has on occasion approached the agency regarding diaspora-related tasks, but without really involving it in the development of diaspora strategies or the discussion of outcomes. For example, in the wake of the economic crisis, the agency was requested to prepare a roster of Greek diaspora businesspeople worldwide—apparently used during international visits of the prime minister and ministers to enlist support of the diaspora in attracting investment to Greece—but without really involving GSGA either in a discussion of methods or in a subsequent analysis of outcomes.

One of the most high-profile, diaspora initiatives to be led by civil society in response to the economic crisis is The Hellenic Initiative, whose launch in Athens in July 2012 featured former U.S. President Bill Clinton alongside Greek business leaders and prominent members of the global Greek diaspora.⁴³ The initiative's work focuses on crisis relief, the promotion of entrepreneurship, and Greek economic development. Its crisis relief work includes donations to NGOs that provide medical and children-focused services, and to the Ashoka network of social entrepreneurs. The initiative promotes entrepreneurship through educational programs at graduate business schools by linking Greek enterprises with export markets, and by convening business plan competitions in which the winning proposals receive funding, mentoring, and business support services. It also connects young managers in Greek businesses with 12-month placements in leading U.S. businesses, requiring them to return to Greece to use their new skills to promote Greek economic development.

The initiative Greek Economists for Reform was founded in response to the Greek recession by prominent academics at leading universities in Greece and abroad, who offered their expertise and ideas on overcoming the economic crisis.⁴⁴ The group has produced publications outlining institutional reforms to encourage economic recovery and sustainable growth. Though many of the group's members have presented their work at conferences organized by important organizations such as the Bank of Greece, the Greek government has drawn minimally on their expertise thus far.

Another important initiative is the annual summer Conference on Research on Economic Theory and Econometrics (CRETE), founded by Greek economists, and typically held on a Greek island.⁴⁵ Now in its 14th year, CRETE brings together distinguished foreign and Greek academics from universities abroad with professors and advanced PhD students at Greek universities. The students are exposed to world-class academic research, have an opportunity to present and receive comments on their own research, and learn about possibilities for academic jobs.

41 Author interviews with GSGA staff, May 2014.

42 Ibid.

43 The Hellenic Initiative, "Who We Are," accessed December 29, 2014, <http://hellenicinitiative.com/web/#>.

44 Greek Economists for Reform, "Welcome," last updated July 30, 2010, <http://greekeconomistsforreform.com/>.

45 Conference on Research on Economic Theory and Econometrics (C.R.E.T.E.), CRETE 2015, accessed December 15, 2015, www.aueb.gr/conferences/Crete2015/.



IV. Conclusions and Policy Recommendations

For nearly a century, Greece was a traditional migrant-sending country; it transformed into a receiving country only in the last decades of the 20th century. Since the onset of the economic crisis in 2008, large numbers of Greeks are emigrating once again. During the previous waves of emigration, Greece could have reaped greater benefits from its overseas nationals if it had shaped effective diaspora engagement policies. While it has taken some steps to build relationships with its diaspora, it appears that Greece may fail once again to capitalize fully on the advantages presented by emigration.

This time, the challenges and opportunities are different. Past waves of emigration were mainly composed of low-educated individuals who worked as unskilled or semi-skilled laborers abroad. Though they sent back significant remittances, the government lacked policies to effectively channel this capital toward development projects. In contrast to earlier waves, the current outflow appears to be dominated by university graduates, whose presence abroad offers new types of possibilities for promoting economic development in Greece.

Given the current economic climate, Greece may be best served by encouraging diaspora involvement in Greek economic development from overseas rather than encouraging return at present. Even as Greece shows signs of emerging from its long recession and high unemployment rates have registered small decreases, more is needed to entice the best and brightest back home. One priority is further institutional reforms to facilitate research and entrepreneurship. The recently legislated institutional reform of universities must be implemented. It should be noted that after the fall of the seven-year dictatorship in 1974, hundreds of academics returned to Greece in the late 1970s and early 1980s, ready to sacrifice successful academic careers abroad to help build a new Greece. After brief stints in Greek universities, many of these academics left Greece once again, disillusioned by their frustrating encounters with the rigid, bureaucratic institutional framework.

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There is an emerging body of literature on strategies and programs to capitalize on diaspora members' skills, knowledge, and resources for economic development in their country of heritage.⁴⁶ To date, the Greek government has done little to exploit the potential of its diaspora outside attempts to attract diaspora investment in Greece by appealing to ethnic identity and patriotism. Reforms to Greece's institutional framework could encourage further investment by the diaspora, for example, by clarifying business guidelines; providing a stable, foreseeable taxation system; improving the ease of doing business; and decreasing corruption.

Beyond trying to tap the diaspora for financial capital, these strategies and programs should also focus on harnessing diaspora skills and knowledge. Some relevant initiatives, including partnerships for the transfer of skills and business practices, have been pioneered by the diaspora-supported Hellenic

⁴⁶ See, for example, Dovelyn Rannveig Agunias and Kathleen Newland, *Developing a Road Map for Engaging Diasporas in Development: A Handbook for Policymakers and Practitioners in Home and Host Countries* (Washington, DC and Geneva: Migration Policy Institute and International Organization for Migration, 2012), www.migrationpolicy.org/pubs/thediasporahandbook.pdf; Kathleen Newland and Sonia Plaza, "What We Know about Diasporas and Economic Development" (Policy Brief no. 5, Migration Policy Institute, Washington, DC, 2013), www.migrationpolicy.org/research/what-we-know-about-diasporas-and-economic-development; and Yevgeny Kuznetsov, *How Can Talent Abroad Induce Development at Home? Toward a Pragmatic Diaspora Agenda* (Washington, DC: Migration Policy Institute, 2013).



Initiative, among others.⁴⁷ Its provision for the incubation of entrepreneurs is important. A wide array of new strategies for diaspora engagement must be explored, including partnerships, research collaboration, and the creation of scientific, technology, and business networks.

Greece has been losing top scientists for decades, suggesting that there is enormous talent within the diaspora. European Research Council (ERC) data show more research grants were awarded between 2007 and 2011 to researchers of Greek origin working outside Greece than within its borders.⁴⁸ When compared to other European countries, Greece was the only country “exporting” more talent to Europe than it managed to retain. The percentage of Greek researchers (whether in Greece or another European country) receiving ERC grants compared with the Greek population was discovered to be similar to that of European innovation economies.

The Greek government has a long way to go if it is to begin to tap the huge potential its diaspora offers for the promotion of Greek economic development. In conjunction with ministries and key stakeholders such as chambers of commerce, investment and business promotion agencies, and banks, it needs to study possibilities for collaboration and then identify goals and develop strategies to achieve them. If the General Secretariat for Greeks Abroad is to be engaged in this new endeavor, it must be drawn in at the planning stage rather than in a piecemeal fashion as specific ideas or needs arise. Together, the government and civil society can create new strategies for identifying—and communicating with—those segments of the diaspora that could best contribute to achieving the nation’s goals.

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47 Yannis Palaiologos, “Tech Startups Blossom in Recession-Hit Greece,” *Time* magazine, March 20, 2014, <http://time.com/30395/tech-start-ups-bloom-in-recession-hit-greece/>.

48 Data are from the European Research Council’s (ERC’s) competitive funding scheme, 2007-11. See Herrmann and Kritikos, “Growing out of the Crisis.”



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