

From sending to host societies: immigration in Greece, Ireland and Spain in the 21st century

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ABSTRACT

In a relatively short period of time, new immigration patterns have changed the geography of immigration of the EU15, bringing three old emigration countries, Ireland, Spain and Greece, to the forefront of the new immigration wave. This article studies the analogies and differences of the recent immigration experience of this group of countries, focusing on the demographic characteristics of the immigrants (origin, sex, gender and education), labour market insertion (wages, labour market segregation and quality of matching) and overall economic performance in terms of poverty rates.

1 INTRODUCTION

The last years of the 20th century and the first decade of this century have witnessed an enormous change in the trend of immigration in Europe. Countries once considered major destinations of international migrants, such as Germany or France, stabilised their immigration flows, reaching a plateau in terms of the share of total population represented by foreigners. In contrast, other states, not so long ago a source of emigration, such as Spain, Greece and Ireland, experienced a significant increase in immigration rates, reaching, or even overtaking, in slightly more than a decade, the traditional hosting countries of immigration.

The purpose of this article is to characterise these new immigration patterns, focusing specifically on Ireland, Greece and Spain. To do so, the characteristics of immigration in these countries are studied from two different perspectives—labour market performance and risk of poverty—with attention to their relative position compared with the local population and the similarities and differences across the three countries.

The article is organised in four sections as follows. Section 2 presents the major characteristics of immigration in the EU27 in terms of timing and intensity, showing the novelty of the role of Greece, Ireland and Spain as receiving countries. Section 3

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evaluates the labour market performance of immigrants compared with natives in these countries, focusing on the different employment and unemployment rates, labour segmentation, the level of educational mismatch and wages. Section 4 studies the situation of immigrants in terms of poverty risk. Finally, section 5 presents the major conclusions reached.

2 THE CHANGING GEOGRAPHY OF IMMIGRATION IN EUROPE

The first issue to stress when reviewing the characteristics of EU immigration is the high diversity of situations faced by the member countries in terms of the importance of the stock of immigrants in relation to their total population. As we can see in Figure 1, Luxembourg, with immigrants comprising almost half of its population, clearly stands out from the rest. The next three countries in the ranking of percentage of immigrant stock relative to native-born population—three demographically small countries: two Baltic countries plus Cyprus—have much lower immigrant stocks than does Luxembourg. In all three cases, the important presence of immigrants is related to specific national circumstances. The high immigration rates of the two Baltic republics are a legacy of the USSR, as many of the immigrants are long-term residents from USSR republics sent to Estonia and Latvia by the Soviet authorities to work in large industries that supplied the Soviet Union. For example, from 1940 to 1989, the proportion of Russians in Latvia increased from 10 to 34 per cent (Schmid, 2004). Cyprus is a different case. Traditionally a country of emigration, Cyprus started receiving important flows of immigrants in the early 1990s, motivated by high economic growth and a change in its previously restrictive immigration policy (Trimikliniotis and Demetriou, 2004).

A second group of countries is composed of Ireland, Greece and Spain. These countries were, until relatively recently, better known as sending rather than receiving countries. After these three countries, we find a continuum of traditional hosting countries such as Belgium, Germany, France and Sweden. The other end of the spectrum is occupied by most new member countries (with the exception of the three mentioned above).

The second key issue relates to the existence of very different time patterns of immigration among the EU countries. In this respect, it is also possible to distinguish four different paths: (i) a group of countries, all Eastern European countries with the exception of the Czech Republic, Slovakia and Bulgaria, with decreasing immigration rates; (ii) a group of *classic* host countries, including Belgium, France, the Netherlands and Germany, where immigration rates rose very early in time, reaching a plateau in the 1980s or 1990s depending on the case, and remaining relatively stable since then (or even decreasing as in the case of Belgium); (iii) a group of latecomers, Spain, Greece, Ireland, Italy, Cyprus, Finland, and probably, Austria, showing a late but steep rise in their immigration rates; and (iv) a set of countries, as different as Sweden and Portugal, showing, for very different reasons, a continuous, almost linear, increase in immigrant rates.

The combination of these two indicators, stock and trend (i.e. intensity and direction of the flow: whether immigration is growing, stable or decreasing), can be used to construct a typology of EU countries in relation to this issue. Figure 2 shows the location of the different EU Member States according to these two indicators: flow intensity, defined as the difference in percentage points between the immigration rate of 2010 and that of 2000; and size of the stock of immigrants, defined by the immi-

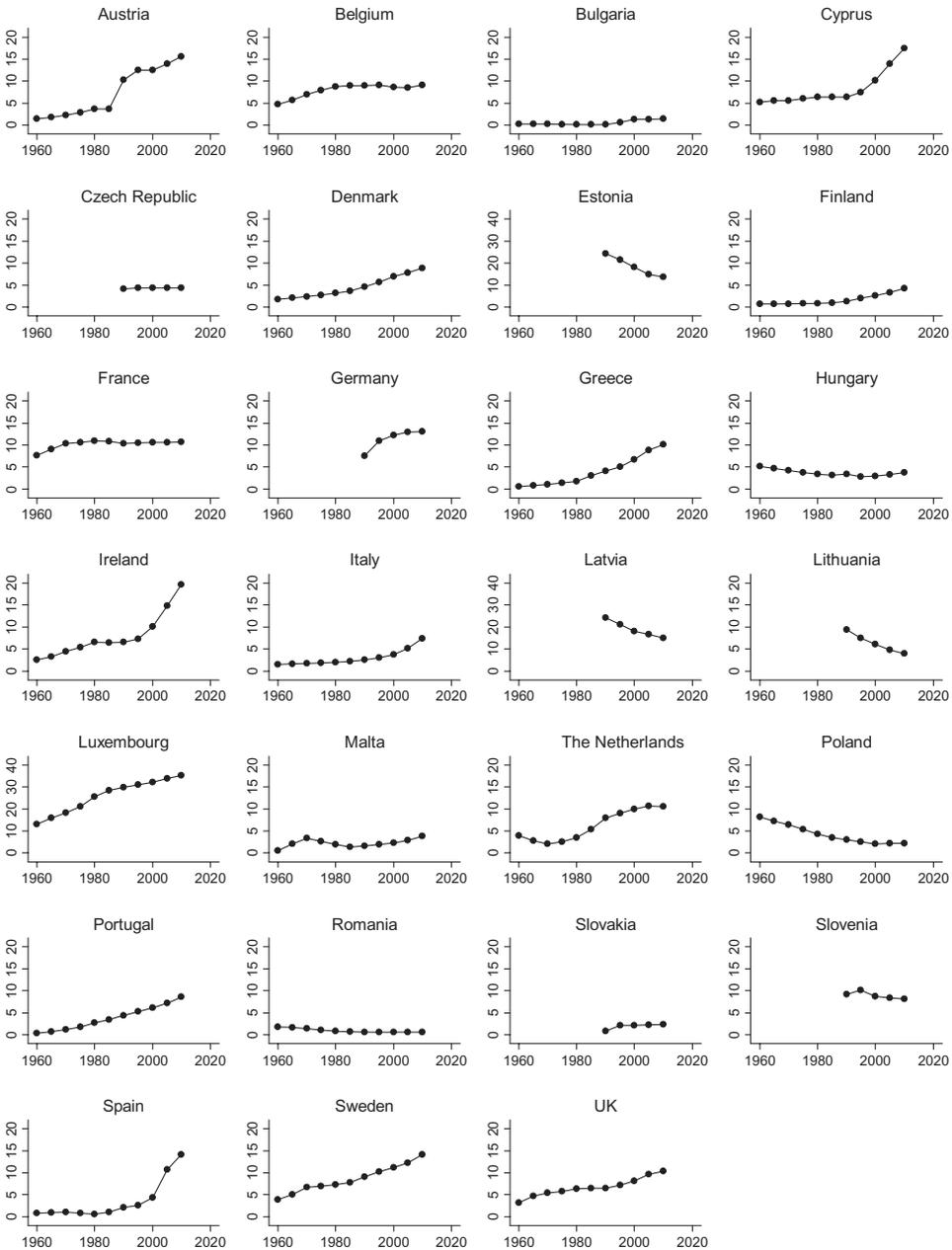


Figure 1: Intensity and time patterns of immigration: % of foreign-born population in the EU27 (1960–2010)

Source: Authors' analysis from United Nations (2009).

gration rate in 2010. In both cases, the indicator for the EU is calculated as the simple (unweighted) average of the indicators of the 27 member countries.

On the basis of these two indicators, it is possible to identify several distinct groups of countries. The first group, referred to as *dynamic immigration* countries by von

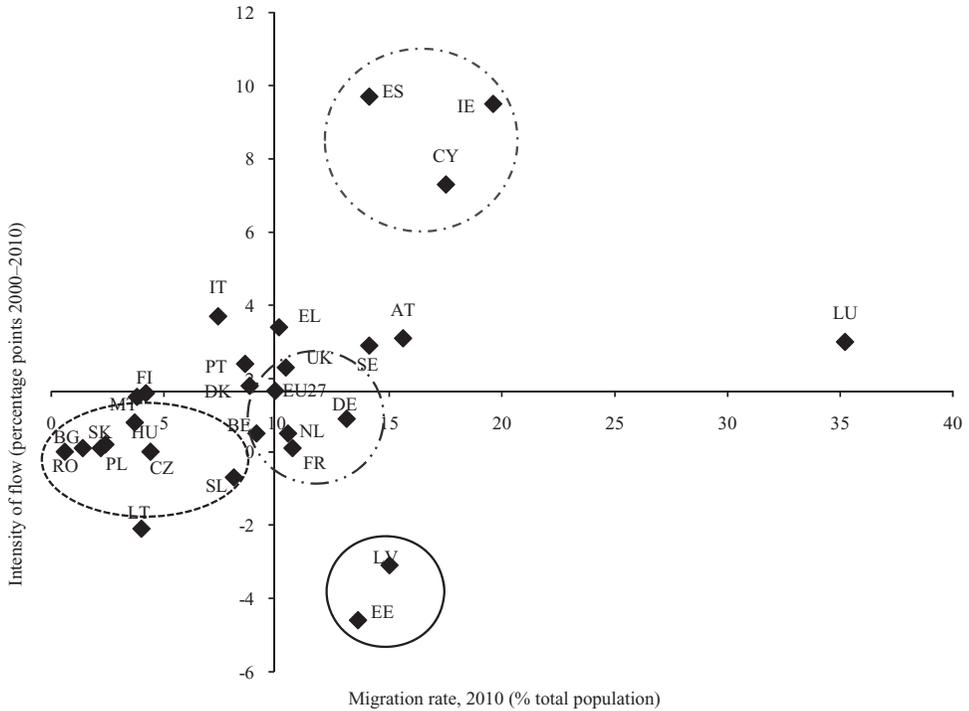


Figure 2: Immigration flows and stocks in the European Union: a typology of countries. BE, Belgium; BG, Bulgaria; CZ, Czech Republic; DK, Denmark; DE, Germany; EE, Estonia; IE, Ireland; GR, Greece; ES, Spain; FR, France; IT, Italy; CY, Cyprus; LV, Latvia; LT, Lithuania; LU, Luxembourg (Grand-Duché); HU, Hungary; MT, Malta; NL, Netherlands; AT, Austria; PL, Poland; PT, Portugal; RO, Romania; SL, Slovenia; SK, Slovakia; FI, Finland; SE, Sweden; UK, United Kingdom.

Source: Authors' analysis from United Nations (2009).

Weizsäcker (2008), includes Spain, Ireland, Cyprus and Austria. This group is characterised by high immigration rates and high immigration flows. In fact, in all cases (with the exception of Austria), these are countries where immigration is a fairly new phenomenon. The second group involves Estonia and Latvia (*legacy immigration* countries in von Weizsäcker's denomination): these are countries with very high, but decreasing, immigration rates, in the process of demographic 'normalisation' after a period where immigration was decided by political—and economic policy—decisions. Lithuania, in spite of its lower immigration rate, could also be considered part of this group. The third group is formed by the *classic immigration* countries, including Germany, France, Sweden, the Netherlands and the UK. These are countries that have been experiencing positive and significant immigration rates since the 1960s. Once they formed the typical host countries, but now the intensity of the phenomenon has decreased, reaching, in some cases, a plateau (e.g. France and the Netherlands) or, alternatively, showing lower dynamism than the first group of newcomers to immigration (Sweden and the UK). The fourth group is characterised by lower immigration rates but higher immigration flows. It comprises Greece, once a sending country,

Portugal, Denmark and Italy (*emerging migration* countries in von Weizsäcker's denomination). The fifth group is formed by former communist countries, with a lower gross domestic product (GDP) per capita and decreasing immigration rates. In fact, all of these countries are sending countries. There is an outsider in the group, though: Belgium, which has a relatively high but decreasing immigration rate. Some countries are left out of this classification—Luxembourg, with its very high, but stable, immigration rate, and Malta and Finland, with very low, but growing, immigration rates (around 3 per cent).

In the following section, we will concentrate on the characteristics of two of the new immigration countries: Ireland and Spain, together with Greece. Although Greece has lower migration rates, it shares with Ireland and Spain a fast reversal (from sender to host) of migration flows. This change in migration flows has taken the country to a position close to the *classic immigration* countries (see Figure 2).

In fact, Greece and Spain have followed a remarkably similar pattern of emigration and immigration. In both cases, they experienced a first important wave of emigration at the turn of the century. Kassimis and Kassimi (2004) estimate that during the period 1890–1914, almost a sixth of Greece's population emigrated to the United States and Egypt. In Spain, emigration in the last decade of the 19th century, mostly to Latin America and the Caribbean, amounted to 6 per cent of the population, and to 5 per cent in the following decade (Green and Urquhart, 1976). The second wave of emigration started in both countries in the 1950s, lasting two decades until the crisis of 1973. It is estimated that approximately 1.2 million people left Greece in this second emigration wave (Cholezas and Tsakloglou, 2008). In Spain, around 1 million workers left the country to work mostly in Germany, France and Switzerland. Ireland's first emigration wave predated the former cases. According to O'Rourke (1995), 1.5 million people emigrated from Ireland between Waterloo (1815) and the Famine (1845). Emigration continued for much of the 19th and 20th centuries until 1961 (Barret, 2005). All three countries were laggards in terms of immigration rates, although both Ireland and Greece showed earlier symptoms of immigration.

3 CHARACTERISTICS OF IMMIGRATION IN THE NEW IMMIGRATION COUNTRIES: A LABOUR MARKET PERSPECTIVE

3.1 Where do immigrants come from and what are they like?

There are multiple and complementary explanations of migration flows, which are reflected in the composition of the foreign-born population in Greece, Ireland and Spain. The impressive evolution of foreign population inflows in these three countries has been driven by both pull and push factors. In all three cases, we can highlight a remarkable macroeconomic record among the former set of explanatory reasons for immigration, which resulted in better labour market opportunities for both natives and foreigners. The average annual rate of economic growth from 1990 to 2008 was 4.7 per cent in Ireland, 3 per cent in Greece and 2.9 per cent in Spain (Maddison, 2009). In addition, in Spain and Ireland, the relatively liberal immigration policy represents a second important factor of attraction.¹ Third, while immigration in

¹ While Ireland had not established tight regulations of migration flows, Spain carried out several processes of regularising illegal immigrants from the mid-1990s. On the contrary, Greek legislation since 1990 has

Ireland, which enjoyed a very low unemployment rate until the current economic crisis, seems to respond to a general shortage of labour, in Spain and Greece this phenomenon has been linked to a greater extent to specific economic activities, such as construction, catering and domestic services (Barrett, 2005; Bover and Velilla, 2005; Glytsos and Katseli, 2005).

On the other hand, push factors have also played an important role. However, each country represents an outcome of specific economic and historical factors and cultural ties with other nations, reflected in a completely different distribution of the immigrant population by country of origin (Table 1). In the case of Ireland, the relevance of political factors explains the stream of foreign people who arrived from African countries (mainly Nigeria, Congo and Algeria) and Romania in the mid-1990s as asylum seekers. However, the beginning of massive immigration to this country started in the late 1990s, associated with the economic boom of the Celtic Tiger, and in May 2004, with the accession to the EU of 10 new Member States, which resulted in large population inflows from mainly Eastern European countries (Immigrant Council of Ireland, 2005; Mac Éinrí and White, 2008; NESDO, 2006). The Spanish economy also responded to a remarkable inflow from Eastern European countries (mainly Bulgaria and Romania) in recent years. However, prior to the accession of these countries, the economic crisis that hit Latin America and the Caribbean in the late 1990s encouraged many people from this region to migrate to Spain, a country with a shared language and cultural ties (Muñoz de Bustillo and Antón, 2010), including the possibility of obtaining Spanish citizenship in a relatively short period of time (just two years).

There are further differences in countries of origin of immigrant populations. In particular, while the high presence of people from developed countries in Ireland mainly migrated in response to labour market reasons, the German immigrant population in Greece and the British and German population in Spain are related to the massive arrival of older people looking for a warmer retirement on the Mediterranean coast. Finally, massive immigration to Greece is concentrated in the last 20 years and it is mainly explained by the economic collapse of nearby former socialist countries, mainly Albania², Bulgaria, Romania and Balkan states, whose living conditions dramatically worsened during the 1990s (Lianos *et al.*, 2004; Síadima, 2001).

Although the overall migrant population is approximately balanced in terms of gender in the three countries, there are remarkable differences according to foreigners' country of origin. For example, men are over-represented among Albanians and Romanians in Greece, Poles and Slovaks in Ireland, and Moroccans and Romanians in Spain. On the contrary, the presence of women is higher, for instance, among immigrants from Bulgaria and Ukraine in Greece, the Philippines and Nigeria in Ireland, and Colombia and Bolivia in Spain.

Perhaps one of the most important questions raised by such a steep increase in the foreign population is how immigrants fare in these new host countries. In order to address this issue, we have made use of the EU Statistics on Income and Living

tried to impede immigration flows although the evidence suggests this has been unsuccessful given the large increase of foreigners without legal residential status (Apostolatu, 2004; Morén-Alegret, 2004; Penninx *et al.*, 2006).

² In 1990, the Albanian per capita GDP was just 25 per cent of that in Greece and the Albanian population represented almost half, 46 per cent, of the immigrant labour force in 2006.

Table 1: Proportion of foreign-born population by gender and country of birth in Greece, Ireland and Spain

Country of birth	Greece (2001)		Ireland (2006)		Spain (2007)			
	Total	% of Women	Country of birth	Total	% of Women	Country of birth	Total	% of Women
Albania	36.0	41.3	UK	44.2	50.7	Romania	11.7	46.2
Germany	9.0	53.8	Poland	10.4	36.4	Morocco	11.3	37.1
Turkey	6.8	58.9	United States	4.1	54.1	Ecuador	7.5	51.4
Russia	6.5	58.0	Lithuania	4.1	43.8	UK	6.0	49.6
Georgia	6.4	53.8	Nigeria	2.7	54.4	Colombia	5.4	56.5
Bulgaria	3.5	61.2	Latvia	2.3	46.0	Argentina	4.8	48.2
Egypt	2.9	47.9	Germany	1.9	54.4	Bolivia	4.0	56.1
Romania	2.4	47.8	China	1.8	47.4	Germany	4.0	50.2
Kazakhstan	2.2	52.9	Philippines	1.6	59.3	France	3.7	51.5
United States	2.1	56.0	India	1.5	47.8	Peru	2.7	52.9
Cyprus	2.0	57.5	France	1.5	50.6	Bulgaria	2.5	45.3
Australia	1.8	53.9	Romania	1.4	45.7	Venezuela	2.4	53.3
Ukraine	1.5	74.9	Slovak Republic	1.4	35.4	Brazil	2.4	58.6
Poland	1.4	56.4	South Africa	1.3	49.9	Portugal	2.3	39.2
UK	1.2	64.2	Australia	1.1	51.2	China	2.1	49.1
Other countries	14.5	48.5	Other countries	18.7	46.4	Other countries	27.4	46.8
Total	100	49.6	Total	100	48.1	Total	100	47.9

Source: Authors' analysis from OECD data.

Conditions (SILC) micro-data for the three nations.³ While sample sizes of the immigrant population are not very large (between 500 and 1,000 observations depending on the country; see Table A1), this data source presents the advantage of offering highly comparable information on labour markets and living standards across countries. In this database, migrant status is defined by country of birth in Greece and Spain. In Ireland, where this variable is not available, migrant status is instead defined by citizenship.

The first point to address in this respect is to what extent immigrants resemble natives, or, in other words, how much foreign and local populations differ on the basis of their socio-demographic characteristics (Table 2). In terms of age, some relevant differences can be highlighted. In all three countries, immigrants are concentrated among the working-age population, with less than 25 per cent of the population younger than 15 or older than 64 years old. This feature is particularly present in Ireland, where more than 85 per cent of the foreign population is aged between 15 and 64. With respect to educational level, when considering the total adult population (including unemployed workers, the elderly out of the labour force and other inactive people), SILC data suggest that immigrant populations have higher educational levels than natives, especially in the case of Ireland. These unexpected results are explained by the inclusion of the old-age population (who are far less skilled than the younger cohorts in all cases) and the unemployed and inactive individuals (who have lower educational levels than the employed population).⁴ When one excludes the former group and focuses on the population aged between 18 and 64 years old, the relation holds in the case of Ireland, whereas in Greece and Spain, although there is a larger percentage of people with a university-level education among natives, there is also a higher share of individuals with very low educational levels.

3.2 Immigrants and the labour market

One of the all-time important concerns in relation to immigration is the level of integration and assimilation of the foreign population in the host countries. Taking into account how fast the pace of immigration flows has been in the case of Greece, Ireland and Spain, this issue is very relevant. The arrival of a large stock of workers, sometimes without much command of the native language, with a different culture or different skill composition, clearly presents several challenges for national governments—especially concerning how to ensure an appropriate integration of the new guests in order to avoid social tensions, ghettos and poor ethnic enclaves.

³ The EU SILC is the European reference source for comparative statistics on income, poverty and social exclusion. The concepts, definitions and classifications for the questionnaire, and the principles of data collection, are decided jointly by Eurostat and National Statistical Offices (NSOs). The questionnaire and fieldwork design are finalised, and the fieldwork itself carried out, by the NSOs within each member state. Eurostat coordinates the whole process and centralises the resulting data at the EU level. The sample size of the EU SILC is quite large: the number of persons included in the sample ranges from 7,000 to 47,000 in the different Member States. But only a fraction of them are actually employed persons, which means that if the goal is to do very detailed multivariate analyses, the sample size might be somewhat limited. The EU SILC is a relatively new survey, with comparable EU data available only from 2005 onwards. More detailed information on the EU SILC can be obtained at <http://c.europa.eu/Public/irc/dsis/eusilc/library>.

⁴ As is well known, the economic and social development of these three countries was late compared with those forming the original EU (such as Germany, France or the Netherlands). This lower development is linked to lower educational levels of the population now representing the oldest population cohorts.

Table 2: Age and educational level of local and immigrant population in Greece, Ireland and Spain (2007)

	Greece		Ireland		Spain	
	Local	Immigrant	Local	Immigrant	Local	Immigrant
Age composition (%)						
Less than 15 years old	13.0	18.4	21.1	10.4	13.2	19.4
15–24	10.8	13.7	18.6	21.1	10.9	12.6
25–49	36.8	48.8	31.1	54.0	39.6	52.8
50–64	19.1	12.5	17.8	11.2	18.0	10.5
65 or more	20.2	6.7	11.4	3.3	18.2	4.8
Educational level (18 or more years old)						
Elementary	38.7	16.3	22.1	6.1	34.1	22.6
Basic	10.6	19.2	21.1	11.2	22.3	19.3
Medium	33.4	45.7	42.2	52.0	20.3	34.9
High	17.3	18.7	14.6	30.7	23.3	23.1
Educational level (18–64 years old)						
Elementary	26.1	14.2	16.3	5.0	21.7	20.7
Basic	12.1	19.5	19.7	9.2	25.9	20.4
Medium	40.9	48.0	46.3	53.6	24.5	35.6
High	21.0	18.3	17.6	32.2	27.9	23.3

Source: Authors' analysis from EU SILC micro-data.

Note: In Greece and Spain, as there is only information available on the country of birth of adults, the migration status of people aged 16 years old or less reported in the table is determined by the country of origin of the household head.

Therefore, it is important to explore the relative labour market performance of these recently arrived immigrants in the host countries.⁵

The main characteristics of the labour force and employed population in the three countries are presented in Table 3. Several features deserve to be highlighted. First, the activity rates of the immigrant population are higher compared with natives, which is consistent with the search for better economic opportunities that guides migration flows. At the same time, the unemployment rate is also higher among immigrants, but this difference is only significant in the case of Ireland, where there is a gap of more than 4 percentage points between the foreign and local populations. As a result, the employment rate is higher among immigrants, once again with the exception of Ireland, where natives show a slightly higher participation in work activities.

Second, in all three countries, the share of immigrants that are employed as independent workers (either as employers or self-employed workers) is remarkably lower than that among natives. This is an important difference with respect to other European countries, such as Denmark or Sweden (Andersson and Wadensjö, 2004), where immigrants are over-represented among the self-employed because of the way entrepreneurship provides a means of entering the labour market.

Third, there are also important differences between immigrant and local employees that point to the existence of substantially poorer working conditions for the former. In terms of working hours, although there are not large differences in average hours worked between migrant and foreign populations, immigrants are over-represented among part-time workers and people working more than 40 hours weekly in Greece and Spain, while in Ireland the pattern is the opposite. This feature is probably related to the skill level of the foreign population in these countries (higher in the Irish case) and reflects the higher flexibility, in terms of part-time work and long hours in full-time jobs, of the foreign labour force in Greece and Spain compared with natives. Regarding the type of contract⁶, the high proportion of foreign-born employees with temporary contracts should be highlighted—with more than one-third in Greece and almost half in Spain, respectively. This is especially important because Greece and Spain have highly segmented labour markets characterised by a marked duality between indefinite and temporary workers in terms of working conditions and progress in their professional careers (Europa Publications, 2009; Muñoz de Bustillo, 2007).

Fourth, with respect to earnings, as this is an eminently comparative article, we have computed average wages for both population groups (immigrants and natives) using the OECD Purchasing Power Parities for actual individual consumption in order to take into account the different price levels in each country, considering

⁵ The effects of immigration on the labour market outcomes of natives, a topic that has been intentionally left out of the article, is still a very controversial issue, not only in these new host countries but also in the United States and other European states such as France, the UK or Germany (Bodvarsson and Van den Berg, 2009; Friedberg and Hunt, 1995). Particularly, the existing evidence points out to a very modest effect of immigration on wages and employment in Spain (Carrasco *et al.* 2008), an unclear impact of Irish immigration on natives' earnings and employment (Barrett and Bergin, 2009; Barrett *et al.*, 2006; 2009), and no effect on unemployment but a slightly negative effect on the remuneration of low-skilled workers in the Greek case (Lianos *et al.* 2004).

⁶ Comparable information is not available for Ireland. Nevertheless, according to the Labour Force Survey, temporary employment is remarkably lower in Ireland, 7 per cent in 2007, compared with the other two countries.

Table 3: Activity and employment rates among local and immigrant population in Greece, Ireland and Spain (2007)

	Greece		Ireland		Spain	
	Local	Immigrant	Local	Immigrant	Local	Immigrant
Activity status						
Activity rate (% of population aged 18–64)	68.8	72.1	66.6	68.0	73.4	79.8
Unemployment rate (% of active population aged 18–64)	9.9	9.9	8.4	12.8	10.0	10.4
Employment rate (% of population aged 18–64)	61.9	64.9	61.0	59.3	66.1	71.6
Employment status (% of employed population)						
Employer	6.7	2.4	^a	^a	4.5	3.8
Self-employed	25.4	12.7	16.9	9.6	11.4	6.5
Employee	62.8	83.9	82.5	89.1	83.7	89.4
Family worker	5.1	1.0	0.6	1.4	0.3	0.3
Working time arrangement (% of employed population)						
Full time	90.7	88.8	75.2	78.4	90.1	86.5
Part time	9.3	11.2	24.8	21.6	9.9	13.5
Average weekly working hours	42.1	42.3	42.8	39.1	40.7	41.4
% of employed population working more than 40 hours per week	35.9	38.7	23.3	18.9	28.9	35.3
Type of contract						
Indefinite	77.9	63.9	^b	^b	73.7	55.9
Fixed term	22.1	36.1	^b	^b	26.3	44.1
Average gross monthly wage (€)	1,384	1,069	2,016	1,698	1,657	1,292
Average gross hourly wage (€)	8.6	6.7	13.8	10.7	9.8	7.5
Low-paid employees (%)						
Cut-off = 60% of median hourly wage	8.0	15.5	14.7	20.3	10.0	19.8
Cut-off = 2/3 of median hourly wage	15.2	26.7	20.1	30.4	15.6	27.7

Source: Authors' analysis from EU-SILC micro-data.

^aEmployers are included among self-employed in the Irish data.^bInformation either not available in the Irish data or impossible to compute from them.

Table 4: Wage gaps between immigrant and local employees in Greece, Ireland and Spain (2007)

	Greece	Ireland	Spain
Differences in gross monthly wages (%)			
Total	29.5	18.8	28.3
Men	29.0	27.5	21.3
Women	35.3	6.6	36.1
Differences in gross hourly wages (%)			
Total	28.5	29.0	30.1
Men	23.2	31.7	25.3
Women	42.2	26.2	35.3
Differences in gross hourly wages (controlling for observable characteristics) (%)			
Total	18.1	27.2	12.5
Men	10.3	25.6	12.7
Women	28.6	30.6	11.7

Source: Authors' analysis from EU SILC micro-data.

Notes: All the differences are statistically different from zero. Differences controlling for observable characteristics are the estimated coefficient of a dummy for immigrant status obtained as a result of a regression of hourly wage (in logs) on immigrant status, gender, age, education and sector of activity.

Spanish euros as the reference unit of measurement.⁷ The main finding from this calculation is the existence of remarkable differences in average gross pay received by migrants and natives, both in terms of monthly and hourly remuneration. Immigrant employees are paid substantially less than natives in all three countries. Nevertheless, in terms of purchasing power parity, they are in a better absolute position in Ireland, where wages are higher than in Spain, and much higher than in Greece. The relative local-immigrant wage gap in each country (Table 4) reveals that, while the gap is lower in Ireland than in Greece and Spain on a monthly basis, the picture is quite similar across countries on an hourly basis, with a differential of roughly 30 per cent in all cases.⁸

We have tried to go a step further and determine the magnitude of the wage differential not explained by the different socio-demographic characteristics of migrants and natives. In order to do so, we conducted an econometric analysis consisting of regressing hourly wages on some basic characteristics of workers that have an impact on wages, such as gender, age, schooling level and sector of activity, apart from immigrant status. Table 4 includes the results for all workers, as well as

⁷ The reason for doing so is that Spain presents a price level roughly in the middle of those observed in the countries considered here.

⁸ Note that considering the information on working time, one should expect that the hourly wage gap is lower than the monthly one if immigrants work fewer hours. In this respect, the results for hourly wages seem to contradict the evidence on working hours presented above. However, the reason for this apparently odd fact is that the differences in working times among employees (excluding self-employed workers) are different from those observed among self-employed workers (included in the calculation of the average working times presented in the table). For example, in the case of Ireland, foreign employees work more than native employees, while in the case of self-employment, the opposite situation is observed.

separate estimations for men and women. Our results suggest that after controlling for these basic observable characteristics, the wage gap decreases but still persists in all three countries, being substantially larger in Ireland than in Greece and Spain.

A final dimension of earnings relates to the proportion of low-paid workers in each country. In this respect, we have used two different cut-offs to measure low-paid employment: 60 per cent and two-thirds of the median gross hourly wage. The first measure was used by the EU until recently (Marlier and Phontieaux, 2000), while the second represents the cut-off point currently considered in EU and OECD studies. The results obtained for both measures (see Table 3) reveal that the share of low-paid employees is higher in Ireland than in Spain and Greece, higher among women than among men, and higher among immigrants than among natives.

In order to advance our knowledge of the employment profile of immigrants, we have investigated what kinds of jobs natives and immigrants hold in these three countries using data from the European Labour Force Survey 2006, which allow for a higher level of detail, and the same definition of migrant status as in the case of the EU SILC. In order to study whether there is segmentation in the type of job performed by immigrants and natives, we will define a job as the intersection of an occupational level (coded according to the two-digit ISCO classification) and a sector of activity (defined by the two-digit NACE classification).⁹ Then, we can look at the five most frequent jobs held by both natives and immigrants and establish an idea of how segregated immigrants are in each country. In Tables 5 and 6, we present the five most frequent jobs held by the local and immigrant workforce, disaggregated by gender. As we can see, regarding males, the patterns observed in the three countries are not very different. Natives have a high presence in intermediate occupations in construction, education and the primary sector, while immigrants are much more concentrated in low-skilled occupations and in sectors such as construction and hotels and restaurants. There are fewer similarities in the case of female workers. Among local workers, women show an important presence in education, health services and public administration. It is worth mentioning that the most frequent jobs for native females in Greece are in the primary sector, reflecting the high weight that these economic activities still have in the Greek economy. In all three countries, immigrant women show an important presence in low-skilled jobs in hotels and restaurants. However, female foreigners in Spain and Greece are also employed, to a large extent, as domestic servants, while in Ireland there is an important share of immigrant women employed in the health sector, usually as nurses, which mirrors the relatively higher skill level of migration flows to this country.

In order to complement the information presented above, Table 7 shows the proportion of local and native workers concentrated in the five most frequent jobs in each country, differentiating by gender. The concentration of immigrants in a limited number of jobs is significantly greater in Spain and Greece, while in Ireland, with a more qualified immigrant labour force, the figures are not very different from those observed for natives. Analysis of the degree of occupational segregation using the Duncan index (Duncan and Duncan, 1955) confirms this result with estimated measures of 0.59 and 0.42 for Greece and Spain, respectively, and 0.35 for Ireland. As such, the foreign population is less segmented in Ireland, and therefore more likely to compete for similar jobs with the native population.

⁹ See Fernández-Macías and Hurley (2008) for details on this methodology.

Table 5: The five jobs with the highest concentration of male local and immigrant workers in Greece, Ireland and Spain (2006)

Country	Local workers		Migrant workers	
	Occupation (ISCO)	Sector of activity (NACE)	Occupation (ISCO)	Sector of activity (NACE)
Greece	Skilled agricultural/fishery workers	Agriculture, hunting, related services	Extraction/building trades workers	Construction
	Extraction/building trades workers	Construction	Labourers in mining, construction, manufacturing, etc.	Construction
	Managers of small enterprises	Retail trade, except motor vehicles, etc.	Personal/protective services workers	Hotels and restaurants
	Teaching professionals	Education	Agricultural, fishery, related labourers	Agriculture, hunting, related services
	Drivers/mobile plant operators	Land transport; transport via pipelines	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.
Ireland	Extraction/building trades workers	Construction	Extraction/building trades workers	Construction
	Managers of small enterprises	Agriculture, hunting, related services	Labourers in mining, construction, manufacturing, etc.	Construction
	Drivers/mobile plant operators	Land transport; transport via pipelines	Personal/protective services workers	Hotels and restaurants
	Labourers in mining, construction, manufacturing, etc.	Construction	Machine operators, assemblers	Manufacture of food products/beverages
	Teaching professionals	Education	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.
Spain	Extraction/building trades workers	Construction	Extraction/building trades workers	Construction
	Drivers/mobile plant operators	Land transport; transport via pipelines	Labourers in mining, construction, manufacturing, etc.	Construction
	Skilled agricultural/fishery workers	Agriculture, hunting, related services	Personal/protective services workers	Hotels and restaurants
	Personal/protective services workers	Hotels and restaurants	Agricultural, fishery, related labourers	Agriculture, hunting, related services
	Teaching professionals	Education	Drivers/mobile plant operators	Land transport; transport via pipelines

Source: Authors' analysis from the European Labour Force Survey.

Table 6: *The five jobs with the highest concentration of female local and immigrant workers in Greece, Ireland and Spain (2006)*

Country	Local workers		Migrant workers	
	Occupation (ISCO)	Sector of activity (NACE)	Occupation (ISCO)	Sector of activity (NACE)
Greece	Skilled agricultural/fishery workers	Agriculture, hunting, related services	Sales and services elementary occupations	Activities of households as employers of domestic staff
	Teaching professionals	Education	Personal/protective services workers	Hotels and restaurants
	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.
	Office clerks	Public administration and defence; compulsory social security	Sales and services elementary occupations	Hotels and restaurants
	Managers of small enterprises	Retail trade, except motor vehicles, etc.	Personal/protective services workers	Activities of households as employers of domestic staff
Ireland	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.	Personal/protective services workers	Hotels and restaurants
	Teaching professionals	Education	Life science and health professionals	Health and social work
	Life science /health professionals	Health and social work	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.
	Personal/protective services workers	Health and social work	Personal/protective services workers	Health and social work
	Office clerks	Public administration and defence; compulsory social security	Teaching professionals	Education
Spain	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.	Sales and services elementary occupations	Activities of households as employers of domestic staff
	Teaching professionals	Education	Personal/protective services workers	Hotels and restaurants
	Personal/protective services workers	Health and social work	Models, salespersons, demonstrators	Retail trade, except motor vehicles, etc.
	Personal/protective services workers	Hotels and restaurants	Personal/protective services workers	Activities of households as employers of domestic staff
	Sales/services elementary occupations	Other business activities	Sales and services elementary occupations	Other business activities

Source: Authors' analysis from the European Labour Force Survey.

Table 7: Percentage of natives and immigrants in the five most frequent jobs in Greece, Ireland and Spain (2007)

	Greece		Ireland		Spain	
	Natives	Migrants	Natives	Migrants	Natives	Migrants
Males	31.6	56.5	29.7	33.9	23.6	44.1
Females	40.5	56.7	32.4	36.7	27.6	51.8

Source: Authors' analysis from the European Labour Force Survey.

Table 8: Overqualification by migrant status and sex (% of employed, 2006)

	Greece		Ireland		Spain	
	Natives	Migrants	Natives	Migrants	Natives	Migrants
Total	23.6	44.9	23.3	34.3	20.2	45.2
Males	25.7	53.0	24.3	35.6	20.8	41.5
Females	20.1	32.6	22.0	32.4	19.3	50.3

Source: Authors' analysis from the European Labour Force Survey.

The last point we will address in this subsection is the quality of job matches among immigrant workers compared with natives. This is important as factors such as the imperfect transferability of skills acquired abroad, deficient command of the language or even discrimination in the labour market might contribute to a high intensity of over-education among foreign workers. In order to explore this issue, we have applied the so-called realised matches approach, which consists of defining the education appropriate for a certain job as the most common educational level of workers employed in a certain occupational level and sector of activity. The results presented in Table 8 suggest the following conclusions. First, over-qualification is higher among men than among women in Greece and Ireland, and among immigrants than among natives in all three countries. Second, among immigrants in the three countries, this problem is especially acute among men in Greece and both men and women in Spain, and less of a problem among Irish immigrant workers. This finding fits well with the analysis of the different composition in terms of country of origin and types of jobs held by the immigrant population in the three countries, as discussed above.

4 IMMIGRATION AND POVERTY

Work is the prime means of sustenance for most households and thus one of the most relevant determinants of poverty rates. Given the precarious insertion in the labour market of many foreign workers in the three countries analysed here, it is necessary to explore how this population group performs in terms of income deprivation. In order to do so, we compute the percentage of the local and immigrant population at risk of poverty using the methodology adopted by the EU: a relative concept of poverty risk

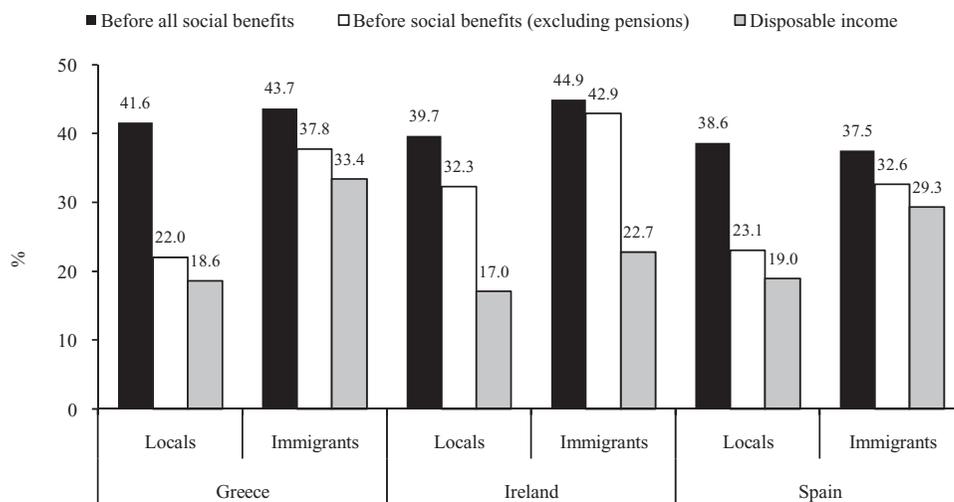


Figure 3: Poverty among local and immigrant population in Greece, Ireland and Spain (2006)

Note: Income data refers to the year previous to the survey.

Source: Authors' analysis from EU SILC micro-data.

using two-thirds of the median equivalised disposable income as the poverty line.¹⁰ We compute three estimates of the proportion of the population at risk of poverty: (i) before public transfers; (ii) before all transfers excluding pensions (which, in Ireland, for example, are mostly private); and (iii) after all social benefits and taxes.

As shown in Figure 3, the pattern observed in these countries is very similar in some aspects. For example, in all countries the poverty rate in terms of disposable income is between 17 and 19 per cent among nationals, while the risk of deprivation faced by immigrants is considerably higher. This is especially true in the case of Greece, where poverty rates are around 15 percentage points higher than among natives. The difference is smallest in Ireland (17 vs 23 per cent), while Spain is in a middle range with a 10-point gap in poverty rates between foreigners and natives. These figures are consistent with the weaker position of immigrants in the labour market and with the higher human capital endowments of foreigners in Ireland with respect to Spain and Greece. Analysis of the poverty rate among workers—the 'working poor'—suggests shares of 11.8 and 10.1 per cent in Greece and Spain, respectively, and consistently higher—20.8 and 16.3 per cent, respectively—among immigrants.¹¹

Social benefits also play a key role. In all three countries, state payments of cash benefits to households contribute substantially to decrease the poverty rate. However, in all three countries, the impact of transfers is lower among immigrants than among

¹⁰ In this calculation, we use the so-called modified OECD equivalence scale, as do EU authorities. According to this approach, the adult equivalent household size is computed giving a value of 1 to the first adult, a value of 0.5 for other adults and a value of 0.3 to children (people aged less than 14 years old).

¹¹ Because income information refers to the year previous to the survey, the percentage of working poor people is calculated taking into account the most frequent activity (employment, unemployment or inactivity) during 2006. This retrospective information is not available for the Irish case, so this figure could not be computed for this country.

natives. The reason is straightforward: immigrants are concentrated among the working-age population and the bulk of social spending usually targets children and old-age populations, demographic groups in which immigrants are clearly under-represented.

Another feature that might help us understand the logic of these figures is the nature and organisation of the welfare state in each country. As is well known, the development and extension of the welfare state in these three countries (along with Portugal) took place comparatively late in relation to other European countries, such as the UK or France. According to Eurostat data, apart from the new Member States of the EU (Central Eastern Europe member states, Malta and Cyprus), Ireland, Greece and Spain are the countries with the lowest social protection spending in the EU, with shares of GDP estimated at 18.9, 24.4 and 21 per cent in 2007, respectively, well behind the EU average (26.2 per cent). There is a final interesting feature to be highlighted regarding this issue: in Greece and Spain, public pensions reduce poverty rates significantly more than in Ireland. It is no coincidence that the level of social spending dedicated to old-age and survivors' benefits represented 40.3 per cent of total social spending in Spain and 50.6 per cent in Greece, whereas in Ireland it accounted for only 25.3 per cent in 2007, as the state only provides a basic pension to be complemented with private pension schemes. These pension systems, especially in the case of Greece and Spain, are organised on a contributory basis and immigrants, apart from being younger on average than natives, usually have not been resident in the country long enough to be entitled to such benefits. The same might apply, to a lesser extent, to unemployment insurance. On the other hand, the Irish welfare state is very close to the liberal model, with not only low but also very targeted and non-universal social transfers. In fact, while in Ireland means-tested benefits represent a quarter of total public social spending, this figure is only 7.8 and 12.3 per cent in Greece and Spain, respectively (Petrásová, 2008). This explains both why pensions are a more powerful tool to reduce poverty in these two countries and why, in turn, social transfers other than pensions contribute to alleviating poverty more among the foreign population in the Irish case.

5 CONCLUSIONS

Real events usually overcome expectations. When Greek, Irish and Spanish workers massively migrated to America and different parts of Europe in the 19th and 20th century, few could imagine that, at the beginning of the new millennium, these countries would experience such drastic population changes, becoming some of the most important host countries in the EU. These three states not only share some common features regarding migration but also present important dissimilarities.

On the one hand, in all three cases, immigrants are concentrated in the working-age group and show activity and employment rates very close to (Ireland) or higher than natives (Spain and Greece). However, unemployment is higher among foreign workers than among natives in Spain and Ireland, but is similar in the Greek case. In addition, the quality of labour market insertion of immigrants in these three countries is worse than in the case of natives, with lower wages (even after controlling for basic human capital endowments), a larger proportion of temporary contracts and a higher proportion of low-paid employees. Finally, as a result, poverty rates among the immigrant population are substantially higher than among natives, particularly in Greece and Spain.

On the other hand, whereas Greece and Spain have received migration flows mainly from non-developed countries, jointly with some retirees from Western Europe, in Ireland the presence of workers from OECD countries, particularly the United States and the UK, is much more significant. Therefore, we should not be surprised at the higher educational levels of Irish immigration. There are also important differences regarding job segregation: although in the three countries immigrants usually work in low-skilled jobs in construction, the primary sector, and hotels and restaurants, the jobs held by foreign workers are quite different from those held by local ones in the cases of Greece and Spain but not in Ireland. This means not only the existence of lower complementarities (at least at our level of analysis) between immigrant and local labour force in Ireland than in the other two cases but also a lower measure of occupational segregation. Finally, regarding the quality of job matches and consistent with the rest of the evidence presented here, the proportion of immigrants who are overqualified for the jobs they hold is remarkably larger in Greece and Spain. This can be related both to the limited transferability of human capital acquired outside the host country (especially in the case of less developed countries and in the short run) and to the lack of native language proficiency of recently arrived immigrants. From a different perspective, we could even speculate about the possible existence of ethnic discrimination. These phenomena are more likely to be present in countries that, until a few years ago, were traditionally alien to immigration.

The evidence presented in this article—poorer outcomes of immigrants compared with natives in terms of employment and deprivation—suggests that immigration presents important challenges for labour market social policies. This is especially true in the Spanish case, where in 2009 the unemployment rate of immigrants reached 28.5 per cent compared with 16.5 per cent of natives. In this respect, a recent Eurobarometer survey showed that in all three countries, a high percentage of citizens (83 per cent in Greece, 74 per cent in Spain and 69 per cent in Greece, compared with an EU average of 57 per cent) believe that the crisis may contribute to increased discrimination on the grounds of ethnic origin (European Commission, 2009). Confronting these issues, in a context of deep economic crisis, is definitely both a difficult and relevant task.

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APPENDIX

Table A1: Sample sizes of EU-SILC databases of Greece, Ireland and Spain (immigrants)

	Greece	Ireland	Spain
Total	1,080	713	2,404
Working-age population	799	572	1,862
Employed population	474	343	1,140
Employees	391	299	993

Source: Authors' analysis from EU SILC micro-data.