



**SOCIAL ISSUES IN FOCUS**  
New Generation Research  
on a **Changing Greece**

Effie Fokas

Diana Bozhilova

Effie Vraniali

Elpida Prasopoulou

Athanasia Chalari

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# Welfare as a missing link in immigrant integration? Insights from a Greek case

## Abstract

This chapter examines majority-immigrant relations through the prism of welfare provision to glean insight into the extent to which the welfare system influences the integration of immigrants into Greek society. Does welfare provision help lead to social cohesion between the majority society and immigrant minorities? Are existing majority-immigrant tensions abated, or exacerbated, by the welfare system? What is the role of welfare provision in relation to other integration factors such as labour market participation, naturalisation, and broadening conceptions of host society identity? These questions are addressed through in-depth qualitative research conducted in a Greek town. The research indicates that immigrant integration is largely influenced by local level policies and by immigrants' daily encounters with people who carry these out.

**Keywords:** welfare, immigration, integration, local policy, diversity.

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#### 4.2 'Prisoners of legality': competition versus exploitation

In spite of tremendous efforts made by immigrants to secure residence permits and thus legal rights to reside and work in Thiva, there is a debate about the relative benefits of 'legalisation', in terms of immigrant integration into society. Clearly residence permits are a prerequisite to naturalisation, which is a prerequisite to receiving state welfare provision on par with the majority society. But being 'on par' with the majority society may also entail competition – perceived or real – with the local majority population for legal employment and thus lead to tension rather than cohesion between immigrants and the majority population. Key to this problem is the financial cost of legality, in terms of required social security contributions, which of course also entails social costs. One civil servant notes:

*They [immigrants] get the jobs instead of us ['Greeks']. Because she has the same rights as me but will get paid less. 500 euro per month to clean a house; Greek women would never work for that amount.*

More than competition between the majority population and immigrant minorities, in Thiva this problem arises mainly between different immigrant groups, developing cleavages within the immigrant communities along documented-undocumented lines. One Albanian explains:

*They take...illegal immigrants. Because this way they don't have to pay insurance. We, because we are legal, have a hard time finding work. We look to tomorrow, not just to today. They [the new immigrants] are so desperate that they can think of just today. We need legal status especially for the kids, because otherwise they will not be able to be admitted to or receive a degree from the university...I go to apply for work at a factory, they say they will consider my application and get back to me, and then I learn that the post was filled by an illegal immigrant, someone without papers always gets the job...I am legal, and I have no rights.*

While competition is a complaint voiced by many who have achieved

documented status, many undocumented immigrants experience exploitation as the alternative. This is most pervasively the case in the daily waged agricultural work that undocumented immigrants tend to do. *'If they had papers'*, one Pakistani man states, referring to newer arrivals from Pakistan, *'they wouldn't take such badly paid jobs'*.

The manipulation begins, in many cases, in their home countries in some form of human trafficking. For example, many Pakistanis have paid 'agencies' in Pakistan to find the individuals work upon their arrival in Greece and to settle their residence papers. According to the local police, there had been two recent cases of kidnapping of Pakistanis by these 'agents' when the former were unable to make the payments.

Another example of exploitation, and discrimination, lies in the experience of some minorities in the housing market. One Albanian young woman recalls that when she and her family moved to Thiva more than a decade ago many advertisements for rent in the local newspaper explicitly excluded Albanian applicants and, in cases where they were considered as potential tenants, the prices were raised significantly, so that Albanians had to pay a premium for their ethnicity<sup>6</sup>.

#### 4.3 'Hierarchy of Greekness' and ethnic discrimination

This point leads us to the topic of ethnicity-based discrimination and stereotyping and the relative prospects for the acceptance of immigrants as part of the broader society – i.e., the identity dimension. One element of the identity dimension is discrimination between 'Albanians' and 'ethnic Greek Albanians' (Northern Epirots), in what Triandafyllidou and Veikou (2002) describe as a 'hierarchy of Greekness' which is embedded both in legislation, as noted above, and to an extent in majority population perceptions. But while policies and some attitudes may be relatively positive towards ethnic

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<sup>6</sup> This is a trend also noted in research in other parts of Greece (see Hatziprokiopiu 2003). In my study of the local print media I was unable to find such adverts, but they are likely to have appeared in print ten years ago.

### 3. Imagining a new tax administration

By the mid-1990s, ICT innovation was considered the only appropriate way to solve the problem of tax administration. Consecutive attempts to reform taxation always stumbled to administrative inefficiencies. As such, extensive rationalization of administrative practices was seen as prerequisite for any tax reform<sup>6</sup>. There was a strong convictions, among government members, that an efficient tax administration should be in place in order to provide the necessary infrastructure for tax reform (Balfoussias, 2000). TAXIS (i.e. Taxation Information System) was imagined to be the catalyst of obsolete and burdensome administrative operations. The actual content of these political visions deserves further consideration as it was in tension with prevailing practices in Greek public administration.

There are two core elements that shape the Greek government's vision of ICT innovation as means for restructuring tax administration. The first one has to do with the imposition of order over very complicated administrative procedures. In TAXIS, the idea of order was predominant; even the project's acronym stands for the Greek word for order. The system was portrayed as an order inducing machine that would disentangle cumbersome administrative procedures<sup>7</sup>. This powerful image of TAXIS was in line with governmental intentions to modernize public administration and introduce processes that would curb clientelism and the ensuing corruption<sup>8</sup>. Order, however, was not so much about the way financial information would be organized. It

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<sup>6</sup> This conviction originates in a seminal study (Agapitos, 1986) conducted by the Centre of Study and Economic Planning (KEPE) in late 1980s. In this study, tax maladministration is identified as the major problem that prevents governments from efficiently planning their finances and establishing a more egalitarian tax system. Ever since then administrative reform has been at the forefront of the political agenda.

<sup>7</sup> Machine metaphors are common in all computerization efforts in the public sector. See (Agar, 2003) for a detailed discussion.

<sup>8</sup> These government plans are clear in the Prime Minister's inaugural speech, Hansard, Period Θ', Presidential Democracy Term, Plenary Session A', Session Δ', Thursday, October 10th 1996.

reflected more the intention to establish administrative procedures impervious to manipulation by civil servants. This understanding of order departs significantly by long standing uses of information technologies as infrastructures that efficiently organize information in ways that can reveal interesting associations among data sets. It rather replicated a long-standing belief that stricter procedures sufficed to eliminate clientelism and corruption.

The accompanying idea of 'total knowledge' was underpinned by the belief that computerization was enough in itself to facilitate tax collection and monitoring. Although the content of such metaphor has never been quite clarified, total knowledge was considered a prerequisite for what was the ultimate trial for TAXIS; the abolishment of imputed incomes as the basis for taxation. Until then, tax policy was done in a way incompatible to the practices of a modern state in command of its finances. Lack of accurate financial data, in the absence of a solid paper-based information infrastructure, meant that taxation was mainly based on imputed incomes. This practice was deemed socially inequitable but also inefficient since it required intensive controls that the Ministry of Finance was unable to perform. TAXIS was seen as an opportunity to group dispersed financial information and perform systematic controls in order to have a more accurate depiction of actual incomes for the tax liable population. However, it is not quite clear how income tax would be calculated once TAXIS was operational. Greece has a large population of self-employed people considered high risk since it is difficult to establish their actual income. To this end, PAYE systems (i.e. pay as you earn) which usually follow extensive computerization efforts are difficult to be implemented. It is the citizens' responsibility to declare their actual income while the state requires a very elaborate system of controls in order to verify the accuracy of income tax declarations. The reality of this, however, did not diminish the power of the 'total knowledge' metaphor.

The prevalence of metaphors of order and total knowledge are not unique in the case of TAXIS. They are central tropes in the ICT-

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**Professor Kevin Featherstone**

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