

Refugees in the Mediterranean: Economic Consequences

Abstract

We investigate the long-term economic consequences of mass refugee inflow. After the Greco-Turkish war of 1919–1922, 1.2 million Greek Orthodox were forcibly resettled from Turkey to Greece, increasing the host population by more than 20 percent within a few months. Building a novel geocoded dataset of more than 10,000 settlements in Greece, we examine the educational and occupational outcomes of refugee and native villages in close proximity and their variation across birth cohorts throughout the twentieth century. Using a difference-in-differences empirical strategy, we find that refugee villages invested more in education and experienced greater structural transformation and industrialization relative to native ones. Moreover, residents of refugee villages were more spatially mobile and experienced greater intergenerational upward mobility. We collect survey data suggesting that descendants of refugees are more willing to take risks.

Paper joint work with Nikos Benos, Stelios Karagiannis, Stelios Michalopoulos, Elie Murard, Elias Papaioannou.

Seyhun Orcan Sakalli

Assistant Professor in Economics at the King's College London