

A Panel Study of Immigrant Poverty Dynamics and Income Mobility – Denmark, 1984 – 2007¹.

Peder J. Pedersen

School of Economics and Management, Aarhus University, and IZA, Bonn

Abstract

In cross-country poverty studies Denmark, like the other Nordic countries, stands out with very low rates of poverty incidence and duration. The purpose in the present paper is to show that this is the net outcome of very different poverty profiles between natives and immigrants. We describe and analyse the annual incidence of poverty 1984 – 2007 separately for natives and for immigrants from Western and non-Western countries using panel data for the whole population. We further describe entry and exit rates relative to poverty and persistence of poverty for these three population groups. Finally, we calculate a set of indicators of income mobility and inequality for immigrant and native population groups.

JEL classifications: D31, F22, I32

Keywords: Poverty, Immigrants, Panel data

¹ The empirical part of this study is built on a micro panel data set made available by the Rockwool Foundation Research Unit. I am grateful for the opportunity to work with these data and grateful also for competent research assistance from Katrine Pedersen and Chalotte Bøgesvang.