

## **At Home and Abroad: Does Income Distribution among Immigrants Adapt to Country of Residence?**

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The main purpose in the paper is to compare labor market participation rates, income distribution, income mobility and poverty for Turkish citizens living in their home country with migrants from Turkey living in two European countries, Denmark and Germany. Focus is on attempts to identify to which extent adaptation occurs to the income distribution in Denmark, respectively Germany, compared with individuals staying at home. Denmark and Germany are two countries that possess large Turkish immigrant groups. They are selected due to micro data being available and to the fact that these two countries represent different welfare state models in the Esping-Andersen classification.

Micro data are available in Turkey consisting of cross-section data for the years 1994 and 2002-2009 as well as panel data for the years 2006-2009. For Germany panel data (German Socio-Economic Panel (GSOEP)) are available from 1984; for Denmark annual panel data based on administrative registers are available for the whole population since 1980. The micro data contains a high number of background variables on demography, education, income and labor market status. We compare annual income distribution parameters, poverty rates, labor market participation rates and income mobility for the Turkish data to the two groups of Turkish immigrants. As far as possible we shall accommodate the fact that the decision to migrate from Turkey in the first place and the choice of destination country conditional on migration are not random. One way to control for the effect of personal preferences regarding migration is to compare the changes in labor market outcomes induced by the migration from one's hometown to another city in Turkey, to changes induced by the migration from one's hometown to Europe.

In the remaining part of the paper the main focus is a study of the adaptation – or not – to different national income distributions and poverty rates. Does adaptation occur faster in a Scandinavian welfare state or is labor market integration accompanied by an improved income situation faster in a continental type welfare state?

**Key words:** income distribution, migration, adaptation, labor market outcomes, poverty, welfare

**JEL classifications:** D31, F22, I32