

**A Comparison of Welfare Payments
to Asylum Seekers, Refugees,
and Reunified Families**

**In Selected European Countries
and in Canada**

**Torben Tranæs
Bent Jensen
Mark Gervasini Nielsen**

The Rockwool Foundation Research Unit

Copenhagen 2006

**A Comparison of Welfare Payments to Asylum Seekers, Refugees, and Reunified Families
In Selected European Countries and in Canada
Study No. 14**

Published by:

The Rockwool Foundation Research Unit

Linguistic adviser:

Tim Caudery, True Translation

Address:

The Rockwool Foundation Research Unit
Statistics Denmark
Sejroegade 11
DK-2100 Copenhagen

Telephone +45 39 17 38 32
Fax +45 39 20 52 19
E-mail forskningsenheden@rff.dk
Home page www.rff.dk

ISBN 87-90199-42-1
ISSN 0908-3979
November 2006
Print run: 300
Printed by Statistics Denmark

Distributed by:

Statistics Denmark
Sejroegade 11
DK-2100 Copenhagen
Telephone +45 39 17 39 17
Fax +45 39 17 39 99
Price: 130.00 DKK, including 25% VAT

Contents

Preface	5
1. Introduction	7
1.1. Two Stages in the Comparison Process.....	7
2. The Levels of Social Security in Six Selected European Countries	9
2.1. The Study	10
2.2. The Social Safety Net of Refugees and Members of Reunified Families in European Countries	11
2.2.1. The Asylum Seeker Phase	11
2.2.2. The Recognized Refugee Phase	12
2.2.3. The Family Reunification Phase.....	14
3. Global Social Security for Refugees and Immigrants.....	17
3.1. Measurements of Income in Turkey	17
3.2. Asylum Seekers.....	18
3.3. Refugees	20
3.4. Reunified Families	21
4. Summary	25
Appendix: Details of the Calculations	27
1. The Basis of the Calculations	27
2. Housing Rental Costs	27
3. Part 1: Levels of Social Security in the Six European Countries and Canada.....	30
3.1. Asylum Seekers.....	30
3.2. Recognized Refugees	31
3.3. Reunified Refugee Families	32
4. Turkey	33
4.1. Household Level.....	34
4.2. Individual Level	34

4 *Contents*

5.	Part 2: Global Social Security for Refugees and Immigrants	36
5.1.	Asylum Seekers	37
5.2.	Recognized Refugees	38
5.3.	Reunified Refugee Families	39
	References	41
	Addendum	43
	Publications in English from the Rockwool Foundation Research Unit	45
	The Rockwool Foundation Research Unit on the Internet	49

Preface

For nearly ten years now, at the request of the Board of the Rockwool Foundation, the Research Unit has been examining the life circumstances of non-Western immigrants, with a particular focus on their integration into the labor market.

As a complement to this research, there has been an interest from the outset in the rights of this group of people under social benefits systems. Non-Western immigrants and their descendants in Denmark currently have an employment rate which does not exceed 50%, and consequently it is necessary to consider transfer incomes in order to obtain a comprehensive overview of their life circumstances.

In the autumn of 2005 the Research Unit published a Danish version of an overview of immigration to Europe and of the integration and welfare entitlements of non-Western immigrants in a number of European countries. We believed that some of this information, presented in an edited form, would be of international interest. Consequently, we are now publishing this working paper, which contains a comparison of the relative levels of welfare benefits available to asylum seekers, refugees, and reunified families in Denmark, Germany, Sweden, Great Britain, the Netherlands, Italy and Canada, all compared in turn with the incomes of fully employed workers in the manufacturing sector in the countries concerned.

The report also includes in chapter 3 a study of how the Western European welfare systems might appear from the perspective of workers in Turkey. The report concludes with an appendix containing a more detailed description of the assumptions on which the calculations are based. The absolute levels of benefits are given in another working paper by PhD Hans Hansen of the Danish National Institute of Social Research entitled *From Asylum Seeker to Refugee to Family Reunification. Welfare Payments in These Situations in Various Western Countries*, which is being published simultaneously with this study.

I would like to thank our translator, Tim Caudery, for his work in translating this text. I also wish to thank the Research Unit secretary, Mai-britt Sejberg, who proof-read the manuscript and made the layout for printing. Finally, I would like to express my gratitude to the Rockwool Foundation and especially to Tom Kähler, Chairman of the Board, and Poul Erik Pedersen, Director, for their continued great interest in the work of the Unit – including the preparation of this volume.

Copenhagen, November 2006

Torben Tranæs

1. Introduction

From time to time, it is suggested in the literature on immigration to Europe that certain countries are particularly attractive to poor non-Western immigrants because of their generous and all-embracing welfare systems.

In order to determine whether the systems of some countries are more favorable than those of others, this working paper compares the welfare benefits that asylum seekers, refugees, and members of reunified families received in six European welfare states in the year 2003.

The survey covers Denmark, Germany, Great Britain, Italy, the Netherlands, and Sweden. Conditions in the European nations are also compared with those in Canada, a country which is an example of a 'residual' welfare state model which has in some respects a purer form than the British type of system. This part of the analysis provides an overview of how the levels of benefits relate to the levels of wages in a number of welfare states of different types.

We then consider how the benefits of the welfare state may be perceived in a country on the other side of the great demographic divide formed by the Mediterranean Sea. This is done by comparing the welfare payments made in the countries concerned with various measures of the annual income to Turkish workers and households in 2003.

We could equally well have chosen another country for this comparison, for example one in Africa, but Turkey and Mexico (another OECD country) are the only states from the less developed areas of the world for which this type of information is published in a sufficiently well-documented form. Consequently, and despite the fact that the number of asylum seekers from Turkey to Europe is very low today, we have decided to use Turkey as a reference point and thus as our example for these calculations.

1.1. Two Stages in the Comparison Process

Our comparison is divided into two parts:

National Social Security

First, we analyze the internal levels of social security for immigrants in the six European countries. This is done by comparing the welfare benefits payable with the wage of an average worker in the manufacturing sector in 2003 in each of the six countries. This gives a measure of the compensation for lack of earned income which the groups under consideration – asylum seekers, refugees, and members of refugees' reunified families – receive from the state in comparison with the average industrial worker's income in the country where they are living

(the receiving country). The levels of compensation can then be ranked, so that we can form an impression of which countries provide the highest rates of compensation. As mentioned above, in this part of the analysis we also compare these relative levels in Europe with the relative levels in Canada.

Global Social Security

The second part of the comparison is oriented towards the situation in countries of origin in the less developed parts of the world. We consider the case of a self-supporting person who is considering breaking up from his or her roots and making a new start in Europe. What will happen if things go wrong, and this person does not find employment in Europe? What sort of financial situation would such a person be in compared with the situation at home which he or she has left?

We make concrete comparisons between the European countries in the study and various Turkish income levels. These measures are used not just as an expression of the situation in Turkey, but also as a general though rather optimistic indication of the income level in other less developed countries with emigration towards Europe. Even though Turkey is the least wealthy of the OECD countries, many immigrants come to Europe from countries which are significantly poorer.

In order to make global comparisons, i.e. to put the Turkish incomes into perspective, we have expressed all the national figures in US Dollars, and then converted these to figures indicating their purchasing power in the respective countries.

2. The Levels of Social Security in Six Selected European Countries

As a starting point for our analysis, Hans Hansen of the Danish National Institute of Social Research has calculated the benefits to which the three groups – asylum seekers, refugees, and members of reunified families – were entitled to in 2003, in local currencies. Hans Hansen's calculations are published in a separate working paper from the Rockwool Foundation Research Unit; details are given in the Appendix page 27 (Hansen, 2006).

The idea of this mapping is to enable a comparison based on the basic state benefits, i.e. social assistance benefit, housing benefit, and child benefit, which an immigrant may receive in the course of progression from asylum seeker to refugee to a person in a reunified family consisting of two spouses and a child. We follow this progression up until the stage where the immigrant becomes entitled to normal welfare benefits.

In some countries, the entire progression can take place with support from welfare benefits. This is the case in those countries where there is *no* requirement that the immigrant should be able to support his or her family in the case of family reunification, or where there is some exception or special regulation that means that the entire family can be supported on welfare payments from shortly after their arrival, so that the complete progression here described can take place with unbroken support from state benefits. This is the way things work in Denmark, Germany, Italy, and Sweden. This is however on condition that the spouse resident in the country is a convention refugee or belongs to a comparable refugee category. The results given may not always apply in the case of residence granted on other grounds.

In other countries, namely Canada, Great Britain, and the Netherlands, the authorities require that the resident spouse fulfils the requirements of being able to support the family as a condition of family reunification (something similar applies in Denmark, for example, in the case of a resident spouse who does not have refugee status). This requirement for ability to support the family is not considered to be fulfilled if the resident spouse's income is derived solely from welfare payments.

The authorities may require another source of income, such as earned wages, or good prospects of such income being obtainable (Great Britain). The transition from being a single refugee to being a member of a reunified family can thus not take place without a break in being supported by welfare payment. At some time or other, however, the family will again become entitled to receive welfare payments, and this is the situation that is reflected in the calculations.

It must again be stressed, however, that the refugee is assumed to have official status as a refugee under the terms of international conventions, or equivalent status, in the calculations that form the background for this paper. It is also assumed that both spouses are available to the labor market when the family has been reunified.

2.1. The Study

The concept underlying the study is, as has already been mentioned, to follow the course of an asylum seeker through the welfare system, i.e. to examine the amount of welfare payment that he or she is entitled to as a minimum in the following situations:

1. The asylum seeker arrives in the country and is found accommodation. In some countries this will be a center for asylum seekers, in other countries a different type of accommodation will be provided. The amounts received by the asylum seeker as public transfer payments are calculated.
2. The asylum seeker is recognized as being a refugee and is granted a residence permit. The amounts received by the refugee as public transfer payments are calculated.
3. The refugee is reunited with his or her family, which it is assumed consists of a spouse and a child. The amounts received by the family in public transfer payments are calculated.
4. The process is followed until the point where the family or the single individual become entitled to benefits in line with those received by citizens of the country, and the amounts received by the family or the individual in public transfer payments are calculated. This phase is not relevant for all countries.

We thus assume a course of events that in reality would spread over a number of years. In order to make comparisons possible, however, all benefits are calculated according to the rates applicable for the year 2003.

The payment amounts are then related to the level of income for an average industrial worker in each country, the so-called 'Average Production Worker' (APW). This is a statistical construct used by, for example, the OECD, as a reference for cross-national comparisons. The construct is documented in the OECD's annual publication *Taxing Wages*.

In brief, the APW is an expression of the average wage of a worker in full-time employment in the manufacturing sector, constructed using the wages of both skilled and unskilled workers and both males and females.

In the analyses the levels are calculated *after deduction of taxes and social security contributions plus payments towards housing rental costs*. Because Hansen (2006) has calculated the public transfers to asylum seekers, refugees, and members of reunified families after the payment of housing rental costs, this working paper also deducts housing rental costs from the incomes of the APW.¹ In other words, all income and public transfers are calculated in the following as net incomes or transfers, after deduction of income tax and social security contributions, and after housing rental costs have been met. In the comparison with Turkey other measures of income are also used; these will be discussed later in the paper.

2.2. The Social Safety Net of Refugees and Members of Reunified Families in European Countries

2.2.1. The Asylum Seeker Phase

In all the countries under consideration, except Canada, the asylum seeker is entitled to live in an asylum center or to receive the costs of being housed at a place of residence outside the asylum center approved by the authorities. In Table 2.1. there follows a comparison of how much the asylum seeker receives, expressed in relation to the income of the APW in the country in question.²

It is evident on making a comparison between countries that there are relatively small differences in the levels of benefit provided among most of the European countries. Only Italy stands out from the others. In Italy, no financial support at all is given to asylum seekers; they are simply offered accommodation in a center, where they are also provided with meals. However, asylum seekers in Italy may receive help from private organizations, or from the UNHCR. Otherwise, the pattern that we see is that the Netherlands is at the lower end and Sweden at the top of a band that spans from 11% to 21% of the APW income.

Denmark is somewhere in the middle of the scale. The financial situation of an asylum seeker in Denmark in relation to that of an average production worker – the APW – is thus neither much better nor much worse than that in the other Western European countries in the table.

¹ See the Appendix for the detailed calculations.

² In the following, all figures are rounded to the nearest whole percentage.

Table 2.1. The purchasing power of an unemployed, single asylum seeker's disposable income after housing rental costs. Percent of the income of those in employment. 2003.

Asylum seeker	Purchasing power of disposable income in comparison to a full-time industrial worker (APW)
Resident in:	
Canada	9
Denmark	16
Germany	19
Great Britain	16
Italy	-
Netherlands	11
Sweden	21

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006).

NB: All incomes are calculated using figures for 2003 and after deduction of taxes, social security contributions, and housing rental costs.

As far as the asylum seeker phase is concerned, then, there is *no* basis for claiming that one or more of the countries discussed here offers especially generous payments in relation to the national APW in this period where the immigrant has not yet gained any real rights to benefits under the national social security systems.

It is apparent that Canada is generally below the levels of benefit payments in comparison to the European nations in terms of the APW income. The exceptions here are the Netherlands, where the difference to Canada is marginal, and Italy, where no cash benefits are payable.

In contrast to the European countries, however, where only in the Netherlands is there any opportunity for the asylum seeker to obtain work for a short period, in Canada the asylum seeker may have a temporary work permit and obtain a job.

2.2.2. The Recognized Refugee Phase

The next stage is recognition as a refugee, and with it the acquisition of rights to benefit under the welfare system of the nation concerned. The calculations for Denmark in Table 2.2. are based on the assumption that the refugee first becomes entitled to the reduced rate 'introductory allowance' in accordance with the change in the rules effected in 2002,³ and after seven years' residence becomes entitled to full social assistance benefit. The general rule, that also covers Danish nationals, is that you need to have resided in the country for seven out of the latest eight (8) years in order to be entitled to full social assistance.

³ For information on these changes to the regulations, see Hansen (2006).

Table 2.2. The purchasing power of an unemployed, single refugee's disposable income after housing rental costs. Percent of the income of those in employment. 2003.

Refugee Resident in:	Purchasing power of disposable income in comparison to a full-time industrial worker (APW)
Canada	9
Denmark ¹ (Introductory level)	15
Denmark ² (After 7 years' residence)	32
Germany	23
Great Britain	22
Italy	22
Netherlands	37
Sweden	32

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006).

Notes:

1) According to the rates for introductory allowance, 2003.

2) With right to full level of social assistance benefit.

NB: All incomes are calculated using figures for 2003 and after deduction of taxes, social security contributions, and housing rental costs.

It can be seen from the table that the relative level of benefit in the Netherlands is somewhat higher than in other countries, if the basis for comparison is the APW. Thus the level of benefit in the Netherlands is a full 22 percentage-point above that in Denmark, if the level of benefit is calculated on the basis of the introductory allowance, but only 5 percentage-points above the Danish rate if the level of benefit for the refugee in Denmark is calculated on the basis of full social assistance benefit.

It must be emphasized that the granting of refugee status in all countries other than Denmark gives entitlement to full social assistance benefit. In Denmark this is only given after seven years' residence within the latest 8 years, a rule that as mentioned also applies to Danish Nationals. Seven years is thus the point in time for the changeover in the calculation of the level of benefit. The Danish level of benefit is in general terms the lowest among the European countries compared to the national APW if the introductory allowance is used as the basis for comparison. If, however, social assistance benefit is used as the basis for comparison, Denmark is high on the scale, on a par with Sweden and above the levels of benefit for Italy, Germany, and Great Britain.

Once again, the European levels of benefit in relation to the national APWs are higher than that in Canada, with the distinction now being even more pronounced. This is because the level of welfare payment is the same for both asylum seekers and recognized refugees in Canada, while except in the case of

Denmark there is an increase at the time of the change in status in the European countries.

2.2.3. The Family Reunification Phase

The next stage in the process is when the refugee/immigrant is reunited with his or her family, which in our example consists of a spouse and one child.

The table below compares the welfare payments that the refugee family is entitled to if they have full social security rights, i.e. if both spouses are entitled to receive full social assistance benefit in accordance with the rules prevailing in 2003.

Table 2.3. The purchasing power of an unemployed, reunified refugee family's (two adults and one child) disposable income after housing rental costs in relation to a single person in employment, 2003.

Reunified Refugee Family	Purchasing power of disposable income in comparison to a full-time industrial worker (APW)
Resident in:	
Canada	27
Denmark ¹ (Introductory level)	52
Denmark ² (After 7 years' residence)	89
Germany	57
Great Britain	59
Italy	43
Netherlands	64
Sweden	62

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006).

Notes:

1) Based on both spouses being entitled only to the introductory allowance in accordance with the 2002 regulations.

2) Based on both spouses being entitled to full social assistance benefit.

NB: All incomes are calculated using figures for 2003 and after deduction of taxes, social security contributions, and housing rental costs.

Corrections have once again been made for housing rental costs for both the APW and the reunified family of two adults and a child. In the case of Denmark, the table begins with information on the level of benefit paid in the situation that both the adults are entitled only to the introductory allowance. Then figures are given for Denmark for the case where both adults have been in the country for more than seven years and are thus entitled to full social assistance benefit.

If we consider the Danish situation first, we can see that if both adults are in receipt of the introductory allowance, the level of payment is below the levels in Germany, Great Britain, the Netherlands, and Sweden, but above the level in Italy and far above the level in Canada.

If, however, we consider the final situation, where both spouses have gained the right to full social assistance benefit, we see that the level of benefit in relation to the APW is highest in Denmark. There is a considerable gap between the Danish level of payment and that of the Netherlands, which in turn lies slightly above the levels in Germany, Great Britain, and Sweden. Between these three countries and Italy there is again a significant gap.

3. Global Social Security for Refugees and Immigrants

The last stage in our analysis of social security for immigrants and refugees is a global comparison. In this section, we compare the welfare payments for asylum seekers, refugees, and reunified families in our selected European countries in 2003 with various income measurements for Turkey, thus reflecting the typical differences between social security in Europe and employment and family situations in Turkey.

In the following, an evaluation is made of how a Turkish immigrant – who is also used as an indicative measure for the situation for immigrants from other non-western countries – is covered by social insurance in the event of unemployment in the new residence country. What, in real terms, is the disposable income of the individual as an unemployed person in Europe compared with being in employment in Turkey?

It is important to emphasize that net calculations are used in the following, after deduction of income tax, social security contributions, and housing rental costs. On the other hand, public services available are not taken into account. Thus no consideration is given to the fact that public services – education, care for the elderly, the health service, etc. – differ in European countries and Canada on the one hand and in Turkey on the other.

3.1. Measurements of Income in Turkey

To provide a measure for the modern industrial sector in Turkey, the next two tables first use the Turkish APW for comparisons. He or she has a gross income on a par with for example the Greek APW, reflecting the existence of a relatively modern industrial sector in parts of Turkey.

The next comparison in the tables is with a Turkish $2/3$ APW, used here to represent the income of a typical Turkish employee in the whole of the most developed part of the Turkish economy. The average income in cities, for example, is close to that of the $2/3$ APW.⁴ Such incomes are thus significantly below that of the APW, and this reflects the fact that other employment sectors in the cities – for example, the retail and services sectors, or the construction sector – have a lower level of productivity than the industrial sector. It must also be remembered that the APW income is based on the average income of those in full-time employment in industry, and that the work force in cities generally also includes day-laborers and part-time workers.

⁴ See the Appendix for the detailed calculations.

In order to be able to make a comparison with the situation in the countryside, we have used information on incomes from the State Institute of Statistics, Republic of Turkey (2005) for single persons and for households.

For the income of single individuals, we use the average income of all those employed in the countryside who have a positive income. In the countryside, 40% of those in employment are unwaged family members, and they are not included in the calculation for the average individual wage; this means that all other things being equal, the level of income would be overstated. On the other hand, income in kind is not taken into account either, which in isolation would mean that the average income is understated. In the note to the tables we give the relative disposable income when unwaged family members are taken into account. There are no figures available for income in kind, and consequently this cannot be taken into account.

The income for single persons is used for comparisons with income of asylum seekers and refugees, and the income for households is used for comparison with reunified families. As explained previously, in the calculations for section 3.2., 3.3., and 3.4. incomes have been converted from national currencies to US dollars and adjusted for purchasing power in the relevant countries, and are given after deductions of tax, social security contributions, and of housing rental costs. More detailed comments and the conversion factors are given in the Appendix.

The results in the tables below are thus the relative difference in the purchasing power of the various groups after payment of taxes, social security contributions, and housing rental costs.

3.2. Asylum Seekers

Table 3.1. compares the purchasing power of the income of asylum seekers in the six European countries and Canada with the purchasing power of the income of the Turkish APW and 2/3 APW for the year 2003. This is the equivalent of comparing the purchasing power of workers living in a Turkish city in 2003 and employed in the manufacturing sector and in general work with the purchasing power that asylum seekers had in the six European countries and in Canada in the same year.

In the case of Denmark, we can see that an asylum seeker has a purchasing power equivalent to 31% of the purchasing power of a Turkish industrial worker and 46% of that of a general worker in cities.

The highest level of benefit paid to an asylum seeker is in Germany, where purchasing power is equivalent to 37% of that of a Turkish industrial worker and 54% of a general worker in a city in Turkey. Italy offers only accommodation

and food at the asylum center and on the other side of the Atlantic an asylum seeker receives an income with 22% of the purchasing power of a Turkish industrial worker and 32% of that of a general worker in cities. It is clear that the level does not vary much in the European countries considered, with the exception of Italy. The level in the Netherlands is, however, somewhat under that in Denmark, Germany, Great Britain, and Sweden.

Table 3.1. The purchasing power of the disposable income of unemployed, single asylum seekers as percentages of various measures of income for Turkey. 2003.

Asylum seeker Resident in:	Purchasing power of disposable income in comparison to:		
	Full-time industrial worker (APW)	Full-time general urban work (2/3 APW)	Employment in the countryside ¹
Canada	22	32	47
Denmark	31	46	68
Germany	37	54	79
Great Britain	34	50	74
Italy	-	-	-
Netherlands	25	36	53
Sweden	30	44	65

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006), OECD (2004), and State Institute of Statistics, Republic of Turkey (2005).

Note:

1) Unwaged employment of family members is not taken into account in the figures. If this factor is taken into account, the relative purchasing power of the incomes of asylum seekers in the various countries are as follows: Canada: 92; Denmark: 133; Germany: 155; Great Britain: 145; Italy: -; Netherlands: 104; Sweden: 126.

NB: All incomes are calculated using figures for 2003 and after deduction of taxes, social security contributions, and housing rental costs.

But in general – and this can hardly be a surprise – there is *no* evident financial ground for potential emigrants from Turkey who are employed in the urban sector to leave their homes solely for the purpose of being an asylum seeker in Europe or Canada.

If we turn to the situation in the countryside – the less developed part of the Turkish economy – the picture alters somewhat, in that the level of benefit received by asylum seekers now approaches more closely the purchasing power in Turkey in 2003 of the group concerned. We see from the table that the relative levels of benefit paid in Europe – always with the exception of Italy – varies between 53% and 79% of the purchasing power of employment in the countryside in Turkey. Again, Germany has the highest level of benefit.

3.3. Refugees

Table 3.2. shows the financial situation for recognized refugees without employment in the countries in the study relative to purchasing power of incomes in Turkey. Once again, there are two situations for Denmark: one where the refugee receives the introductory allowance and one where the refugee after seven years' residence is entitled to full social assistance benefits.

Table 3.2. The purchasing power of the income of unemployed, single refugees as percentages of various measures of income for Turkey. 2003.

Refugee	Purchasing power of disposable income in comparison to:		
	Full-time industrial worker (APW)	Full-time general urban work (2/3 APW)	Employment in the countryside ¹
Resident in:			
Canada	22	32	47
Denmark ² (Introductory level)	30	44	65
Denmark ³ (After 7 years' residence)	63	93	138
Germany	42	62	92
Great Britain	49	72	106
Italy	39	56	84
Netherlands	82	120	179
Sweden	45	66	98

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006), OECD (2004), and State Institute of Statistics, Republic of Turkey (2005).

Notes:

1) Unwaged employment of family members is not taken into account in the figures. If this factor is taken into account, the relative purchasing power of the incomes of refugees in the various countries are as follows: Canada: 92; Denmark introductory allowance: 126; Denmark after 7 years: 268; Germany: 179; Great Britain: 207; Italy: 163; Netherlands: 348; Sweden: 190.

2) According to the rates for introductory allowance, 2003.

3) With right to full level of social assistance benefit.

NB: All incomes are calculated using figures for 2003 and after deduction of taxes, social security contributions, and housing rental costs.

Refugees have by this stage – except in the first situation described for Denmark – obtained the full rights to social insurance. In the case of Denmark, the recognized refugee receiving the introductory allowance has 44% of the purchasing power of the general employee living in a Turkish city and 30% of that of a worker in the manufacturing sector, based on figures for 2003. If however the social assistance benefit figure is used, then the recognized refugee has 93% of the purchasing power of the general employee living in Turkish cities and 63% of the purchasing power of a full-time employee in the manufacturing sector.

For a Turkish worker in the industrial sector, who as already mentioned enjoys a relatively high level of income, there would be a financial disadvantage to being a refugee receiving welfare benefits in any of the countries studied. The welfare payments in Canada must be seen as extremely unappealing. Nor are conditions particularly attractive for the general employee in cities, except in the case of the Netherlands, where there is a financial advantage of 20% even if the person does not succeed in finding employment.

If we draw a comparison with the purchasing power of incomes in the countryside in Turkey, the situation is somewhat altered. The average employee in the countryside in Turkey would gain 79% in the purchasing power of his or her income if they were living on welfare payments in the Netherlands.

In a situation where the refugee was receiving full social assistance benefit in Denmark there would also be a gain in purchasing power, in this case of 38%. In Great Britain there would also be an advantage in terms of purchasing power, though a rather smaller one. Canada still stands out as a destination which offers a relatively low level of welfare payment.

3.4. Reunified Families

Finally, we will compare the financial situations of a jobless refugee whose spouse and child have been reunited with him or her in a new country and Turkish households in the cities and in the countryside (see Table 3.3.). Income information for Turkey comes from the Turkish State Institute of Statistics. The average size of households in cities in Turkey is 3.9 people, and in the countryside it is 4.5 people.

In the case of Denmark, figures are presented on the basis of two situations: 1) where both adults receive the introductory allowance and 2) where both adults have acquired the right to full social assistance benefits, i.e. when both spouses, including the more recently arrived, have been in Denmark for seven years or more. In situation 2), then, the refugee family has acquired the full rights to social assistance benefits.

We begin with a comparison of the purchasing power of Turkish households in cities with that of the same families if they lived in a Western country and if both adults were unable to find work. The table shows that there is only a gain in purchasing power if the family is entitled to full social assistance benefit in Denmark. In the Netherlands the family can expect their purchasing power to be unchanged, and in other countries there would be a loss of purchasing power to a greater or lesser extent. In Italy, for example, the family would have only 54% of their previous purchasing power in Turkey. In Canada – a welfare state of a ‘residual’ type in many respects – the family’s purchasing power would be only 44% of what they enjoyed in a Turkish city.

Table 3.3. The purchasing power of the income of unemployed, reunified refugee families as percentages of various measures of income for Turkey, 2003.

Family	Purchasing power of disposable income in comparison to:	
	Households in urban areas	Households in the countryside
Resident in:		
Canada	44	63
Denmark ¹ (Introductory level)	74	105
Denmark ² (After 7 years' residence)	128	180
Germany	80	113
Great Britain	93	132
Italy	54	76
Netherlands	100	141
Sweden	64	90

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006), OECD (2004), and State Institute of Statistics, Republic of Turkey (2005).

Notes:

1) Based on both spouses being entitled only to the introductory allowance in accordance with the 2002 regulations.

2) Based on both spouses being entitled to full social assistance benefit.

NB: All incomes are calculated using figures for 2003 and after deduction of taxes, social security contributions, and housing rental costs.

If a comparison is made with the situation in the Turkish countryside, we see that there are more countries, now including Great Britain and Germany, where there would be a gain in purchasing power if the family were able to receive social assistance benefit there. This is again connected with the fact that incomes in Turkey are considerably lower in the countryside than in the cities.

All other things being equal, a Turkish family living in the countryside would not run any financial risk by emigrating to Northern or Western Europe, even if they did not succeed in finding a footing on the labor market.

In Denmark the situation is obviously relatively less good during the years in which the couple receives the introductory allowance. It must also be mentioned that in 2004, ceilings were introduced on total benefits payable to recipients of social assistance benefits after six months of benefit. These ceilings are of especial significance for families where both adults are in receipt of social assistance. Since 2004, then, the situation has been less good for reunified families in Denmark.

The difference between Canada and Europe remains clearly marked. Non-Western immigrants with poor formal job qualifications who have a choice

between seeking asylum in Western Europe or Canada would have good financial grounds for going to Northern or Western Europe.

It is also clear that welfare payment in countries north of the Alps is significantly better than in countries south of the Alps. An immigrant family receiving welfare payment in Denmark would have more than twice the purchasing power of a similar family in the same situation in Italy.

4. Summary

This analysis has shown that there is no great difference between the various welfare states north of the Alps with respect to the financial benefits that asylum seekers, refugees, and reunified families received in 2003. However, payments in Denmark to reunified families were clearly the highest if the family was actually entitled to receive full social assistance benefits.

The main difference, according to the analysis, was between the welfare states north of the Alps and Italy, the latter exemplifying welfare states to the south of the Alps.

The same is also clearly true for the difference between the Northern and Western European welfare states on the one hand and Canada on the other – the last being taken as an example of a more ‘residual’ welfare model which, apart from the area of welfare payment, has many elements in common with the Northern European model.

As expected, the relative level of the benefit received was highest for potential emigrants from country districts in Turkey, and lowest for those from the urban areas. The average Turkish employee in the manufacturing sector would fall into the category who had the lowest relative amount of benefit in the case of migration.

In the specific case of Denmark, it was shown that social assistance benefit for single persons is low upon arrival in a European context, but that after seven years of residence social security is among the best in Europe. The benefit situation is generally better for families than for single people in Denmark. The social assistance benefits in Denmark are only a little worse for reunified refugee families than is the case in other countries upon arrival, and they are clearly the best after seven years’ residence.

The same pattern is evident as far as social security is concerned in relation to the situation in the country of origin (the global comparison), though the social security in Denmark is generally better in this context, because the absolute levels of welfare payments in Denmark are high in an international context. Even on arrival the reunified family is relatively well covered, and after seven years’ residence the welfare payments in Denmark are clearly the best for the type of family that has been considered here.

Appendix: Details of the Calculations

1. The Basis of the Calculations

The starting point for the calculations was the account of the absolute amounts of public transfer payments in national currencies prepared for the Rockwool Foundation Research Unit by Hans Hansen of the Danish National Institute for Social Research and published in Hans Hansen (2006), *From Asylum Seeker to Refugee to Family Reunification. Welfare Payments in These Situations in Various Western Countries*. Rockwool Foundation Research Unit Working Paper No. 13, published by Statistics Denmark.

Hans Hansen has calculated the size of the income replacement payments in selected countries in a sequence of situations. These relate to the level of compensation in the year 2003, as explained at the start of this working paper.

On the basis of the net payments (i.e. with housing rental costs and any tax and social security contributions deducted from the total) taken from Hansen (2006), the Rockwool Foundation Research Unit has carried out a series of calculations. First, the internal level of social security in Western European countries and in Canada has been calculated. Next, an international comparison of the levels of social security has been made by comparing the benefit payments to various measures of income in Turkey (Global social security).

All calculations are corrected for tax⁵, social security contributions, and housing rental costs. In the international comparisons, all payments have been corrected for purchasing power and converted to US Dollars, thus taking account of the different levels of prices in the various countries. In this way, all levels of payments have been made directly comparable.

2. Housing Rental Costs

In order to make comparisons between the payments to asylum seekers, refugees, and reunified families and the incomes of the APWs in the various countries, it is necessary to deduct from the APW's take-home pay an imputed measure for housing rental costs, since all the welfare payments in Hansen's calculations are either inclusive of free housing or the costs of housing rent are deducted from the allowances stated. As a measure of housing rental costs, we have used information given in Eurostat's Household Budget Survey (HBS), 'Mean consumption expenditure by households with expenditure greater than zero by detailed COICOP level (in PPS), Actual rentals paid by tenants' (figures for 1999). These figures are given in Purchasing Power Standard (PPS), and it is therefore necessary to convert them to national currencies.

⁵ All references to APW incomes are to be understood in the following as being after deduction of tax and social security contributions, unless otherwise stated.

We base our figures on the Eurostat HBS table headed ‘Mean consumption expenditure by household and per adult equivalent (EUR, NAC⁶, PPS)’. This table gives the mean consumption costs per household in the national currencies concerned and in Purchasing Power Parities (PPP)⁷. From these figures, it is possible to calculate a factor to convert from PPS to national currencies, by dividing the average consumption costs per household in national currency by the average consumption costs per household in PPS. This conversion factor is then multiplied by the average actual rental costs paid by the tenant in PPS in order to calculate the average actual housing rental costs paid by tenants in the national currencies.⁸

Table 2.1. Conversion factors.

	Average consumption costs per household		Conversion factor
	NAC	PPS	NAC/PPS
Denmark	217,511	23,439	9.279875421
Germany	25,228	23,575	1.070116649
Great Britain ¹	20,148	27,646	0.728785358
Italy	24,081	27,220	0.884680382
Netherlands	24,607	25,657	0.959075496
Sweden	236,669	21,673	10.91999262

Source: Calculations by the Rockwool Foundation Research Unit based on Eurostat New Cronos Database.

Note:

- 1) The figure from Eurostat refers to United Kingdom, however the figures from Hansen (2006) refer to Great Britain. Therefore, as it is the benefit payments which are the dominant values, Great Britain will be used as the most correct terminology, this does however result in a minor inaccuracy in the presentation of the calculations.

It is then possible to calculate the actual rents for housing paid in national currencies.

⁶ NAC is an abbreviation for National Currencies and indicates that the amounts given in NAC are in the national currencies of the countries concerned.

⁷ PPS is the unit used for PPP.

⁸ From correspondence with Eurostat it has become clear that there have not been used different conversion factors for the conversion of national currencies to PPS for different COICOPs (Classification Of Individual Consumption by Purpose adapted to the needs of HBS). Instead, one single conversion factor has been used for each country, i.e. an average factor for all components for the country concerned, in ‘Household final consumption expenditure’.

Table 2.2. Actual housing rental costs paid by tenants in national currencies. 1999.

	Actual rent paid by tenants PPS	Conversion factor NAC/PPS	Actual housing rent NAC
Denmark	3,387	9.279875421	31,431
Germany	3,453	1.070116649	3,695
Great Britain	3,248	0.728785358	2,367
Italy	3,250	0.884680382	2,875
Netherlands	2,203	0.959075496	2,113
Sweden	4,205	10.91999262	45,919

Source: Calculations by the Rockwool Foundation Research Unit based on Eurostat New Cronos Database

The HBS was carried out in 1999, and consequently the actual housing rents are given in 1999 level national currencies. The figures have been corrected for subsequent inflation to 2003 by means of the HBS table entitled 'HICP inflation rate adjustment factors by base year'. However, the table includes all COICOP components. This means that other components of consumer spending are included in the inflation correction, and thus the calculations do not capture the exact changes in housing rental costs. The annual percentage change was calculated for each country from 1999 to 2003, and the actual housing rental costs have then been corrected for each year on the basis of the calculations of the annual percentage change in consumer prices.

Table 2.3. Actual housing rental costs paid by tenants in national currencies in each year. 1999-2003.

	1999 NAC	2000 NAC	2001 NAC	2002 NAC	2003 NAC
Canada ¹	-	-	-	-	5,093
Denmark	31,431	32,296	33,011	33,817	34,473
Germany	3,695	3,745	3,817	3,868	3,911
Great Britain	2,367	2,385	2,415	2,446	2,480
Italy	2,875	2,949	3,017	3,096	3,183
Netherlands	2,113	2,161	2,273	2,360	2,412
Sweden	45,919	46,540	47,784	48,716	49,871
Turkey ¹	-	-	-	-	1,553,628,353

Source: Calculations by the Rockwool Foundation Research Unit based on Eurostat New Cronos Database and OECD (2004).

Note:

1) See the text concerning these calculations.

Since neither Canada nor Turkey are included in the HBS, we have imputed for these countries a percentage of income for housing rental costs equivalent to the average percentage of gross APW income comprised by housing rental costs in the six European countries. This means in practice that both Canada and Turkey are assigned a level of housing rent that corresponds to 12.7% of the country's gross APW income.

Having calculated the housing rental costs and corrected these for inflation, it is possible to deduct these from the APW income. This then means that it is possible to calculate the relative size of welfare payments in relation to national APW incomes, as discussed in part 1, and in relation to various measures of income for Turkey, as discussed in part 2.

3. Part 1: Levels of Social Security in the Six European Countries and Canada

The aim of this section is to present a more detailed comparison than in the main text of the welfare payments during the progression from asylum seeker to recognized refugee and finally to a member of a reunified family with a spouse and one child.

The levels of compensation described in this section are calculated as payments net of housing rental costs and any tax and social security contributions in relation to the take-home pay of the APW and 2/3 APW for each country corrected for housing rental costs.⁹

3.1. Asylum Seekers

During the asylum seeker phase, claimants receive a minimal amount, except in Italy, where it is assumed that any asylum seekers who cannot support themselves can obtain the basics necessary to support life at an asylum center, provided they agree to do a small amount of work at the center. They thus receive no cash payments from the public purse.

⁹ In the following tables, it is assumed that the APW and the 2/3 APW have the same costs for housing rent. Since, however, it could be argued that the 2/3 APW would tend to pay less in housing rent than the APW, alternative calculations are also presented in the addendum where it is assumed that the 2/3 APW pays 2/3 of the housing rental cost paid by the APW.

Table 3.1. The purchasing power of an unemployed, single asylum seeker's disposable income after housing rental costs. Percent of the income of those in employment. 2003.

	Level of payments NAC	APW NAC	2/3 APW ¹ NAC	APW %	2/3 APW %
Canada	2,340	25,125	16,466	9	14
Denmark	23,528	148,116	98,788	16	24
Germany	3,060	15,747	10,636	19	29
Great Britain	1,989	12,865	8,336	16	24
Italy	-	12,917	8,339	-	-
Netherlands	2,030	18,577	12,926	11	16
Sweden	25,915	121,622	68,383	21	38

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006) and Eurostat New Cronos Database.

Note:

1) In the case of Denmark, corrections have been made for housing allowance, since the 2/3 APW would be entitled to receive this. For Sweden we assume that asylum seekers are over the age of 29, which would mean that they were not entitled to housing allowance. We are informed through correspondence with Hans Hansen that the levels of income in the other European countries would also mean that there would be no entitlement to housing allowance.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs, 2003.

3.2. Recognized Refugees

Recognized refugees are covered by the social security systems of the countries granting them refuge on the same basis as the citizens of the country. The exception to this system is Denmark, as explained earlier, where in accordance with the amended regulations of 2002 refugees can only obtain an introductory allowance, this being significantly lower than the social assistance benefits. For Denmark, then, we have as in the main section chosen to present two different levels of benefit, the first calculated on the basis of the introductory allowance, and the second based on the levels of benefit to which recognized refugees are entitled to if they have spent seven out of the eight preceding years in Denmark and are unemployed despite being available for the labor market. The 'seven-out-of-the-last-eight-years' rule applies to all residents living in Denmark including Danish citizens.

Table 3.2. The purchasing power of an unemployed, single refugee's disposable income after housing rental costs. Percent of the income of those in employment. 2003.

	Level of payments ³	APW	2/3 APW ⁴	APW	2/3 APW
	NAC	NAC	NAC	%	%
Canada	2,340	25,125	16,466	9	14
Denmark ¹	22,318	148,116	98,788	15	23
Denmark ²	47,457	148,116	98,788	32	48
Germany	3,540	15,747	10,636	23	33
Great Britain	2,842	12,865	8,336	22	34
Italy	2,784	12,917	8,339	22	33
Netherlands	6,813	18,577	12,926	37	53
Sweden	39,060	121,622	68,383	32	57

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006) and Eurostat New Cronos Database.

Notes:

- 1) Rates for introductory allowance in 2003.
- 2) For those entitled to full social assistance benefit.
- 3) An estimated figure to cover housing rental costs is deducted from benefit payments for Denmark. The figure for the Netherlands has also been corrected, in this case for a housing supplement included in the level of benefit. In this way the figures for all the countries are made comparable (see Hansen, 2006).
- 4) In the case of Denmark, corrections have been made for housing allowance, since the 2/3 APW would be entitled to receive this. For Sweden we assume that asylum seekers are over the age of 29, which would mean that they were not entitled to housing allowance. We are informed through correspondence with Hans Hansen that the levels of income in the other European countries would also mean that there would be no entitlement to housing allowance.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs, 2003.

3.3. Reunified Refugee Families

As already outlined in the section on refugees, members of reunified families are entitled to the same benefit payments as nationals of the country, although in Denmark both spouses have had to stay the last seven out of eight years in the country to be entitled to full social assistance benefit. In the following we describe what benefits these families are entitled to, including child benefit, in instances where the reunified family consists of a refugee, a spouse, and one child. In the case of Denmark, we again present figures for two situations. In the first, the couple are regarded as being entitled to receive introductory allowance at the rates for 2003. In the second, it is assumed that both spouses are entitled to social assistance benefit. All calculations for incomes for families include child benefit, and in the case of Denmark and the Netherlands the level of payments

has been corrected for housing rental costs. For APWs and 2/3 APWs, two calculations are presented in each case – one with child benefit included, and one without.

Table 3.3. The purchasing power of an unemployed, reunified refugee family's (two adults and one child) disposable income after housing rental costs in relation to a single person in employment. 2003.

	Level of payments ³ NAC	APW NAC	2/3 APW ⁴ NAC	APW ⁵ %	APW ⁶ %	2/3 APW ⁵ %	2/3 APW ⁶ %
Canada	7,108	26,521	17,862	27	28	40	43
Denmark ¹	83,175	159,816	110,488	52	56	75	84
Denmark ²	142,879	159,816	110,488	89	96	129	145
Germany	9,996	17,595	12,484	57	63	80	94
Great Britain	8,115	13,700	9,171	59	63	89	97
Italy	5,796	13,433	8,855	43	45	66	70
Netherlands	12,324	19,274	13,623	64	66	91	95
Sweden	82,560	133,022	79,783	62	68	104	121

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006) and Eurostat New Cronos Database.

Notes:

- 1) Both spouses receiving introductory allowance in accordance with the amended regulations of 2002.
- 2) Both spouses entitled to full social assistance benefits.
- 3) An estimated figure to cover housing rental costs is deducted from benefit payments for Denmark. The figure for the Netherlands has also been corrected, in this case for a housing supplement included in the level of benefit. In this way the figures for all the countries are made comparable (see Hansen, 2006).
- 4) In the case of Denmark, corrections have been made for housing allowance, since the 2/3 APW would be entitled to receive this. For Sweden we assume that asylum seekers are over the age of 29, which would mean that they were not entitled to housing allowance. We are informed through correspondence with Hans Hansen that the levels of income in the other European countries would also mean that there would be no entitlement to housing allowance.
- 5) Including child benefit.
- 6) Excluding child benefit.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs, 2003.

4. Turkey

In order to make the global social security comparisons, it is first necessary to make a number of calculations for Turkey. These calculations will be on both the level of the household and the individual. We will also examine various measures of income in both urban and rural areas, furthermore for rural areas

there are two different measures of income. The calculations are described in detail below.

4.1. Household Level

The reason for making calculations at the household level is to determine the relationship between the amount of benefit which a reunified refugee family can receive and what a Turkish family earns.

Table 24.1 in State Institute of Statistics, Prime Ministry, Republic of Turkey (2005) gives the total disposable income of all the households situated in cities and in the countryside. From these figures, it is possible to calculate disposable incomes at the household level. As explained previously, we impute a housing rental cost equivalent to 12.7% of the gross APW income for Turkey. However, this imputed figure is only used in our calculations for urban areas. For rural areas, we use 2/3 of 12.7% i.e. 8.5% of the gross APW income for Turkey, as housing rents are lower in the countryside than in the cities. Table 4.1. presents disposable incomes at the household level, and Table 4.4. shows the disposable incomes corrected for housing rental costs.

Table 4.1. Disposable income at the household level. 2003.

	Total disposable income	Number of households	Disposable income per household
	Lira (millions)		Lira
Cities	128,967,977,512	10,686,865	12,067,896,199
Countryside	51,336,726,242	6,057,630	8,474,721,342

Source: Calculations by the Rockwool Foundation Research Unit based on State Institute of Statistics, Prime Ministry, Republic of Turkey (2005).

4.2. Individual Level

The calculations for personal income are based on Table 24.4 in State Institute of Statistics, Prime Ministry, Republic of Turkey (2005). On the basis of the figures given in this table, it is possible to calculate gross incomes at the individual level for urban and rural areas. In the calculations for rural areas, we present two different income measures. The first measure includes the proportion of 'unpaid family workers' in the calculation of income, and the second does not include these workers in the calculations. The figure for 'unpaid family workers' is the number of family members who work without cash wages on, for example, the family farm, and must therefore be taken as receiving their wage in the form of produce. These unwaged family workers make up 40% of the work force in the countryside. Consequently, we must assume that the calculations of rural incomes which do not make allowance for the labor of

unwaged family workers overestimate income levels, while those that do make allowance for these people can be assumed to underestimate income, since it has not been possible to make a proper valuation of the goods they receive. Table 4.2. gives gross incomes for individuals for both urban and rural areas, with the two measures described above for rural workers.

Table 4.2. Gross incomes at the individual level. 2003.

	Total disposable income Lira (millions)	Number of individuals	Average income per person Lira
Cities ¹	79,644,364,616	10,697,853	7,444,892,670
Countryside ²	35,303,283,086	10,488,720	3,365,833,303
Countryside ³	35,303,283,086	6,345,676	5,563,360,832

Source: Calculations by the Rockwool Foundation Research Unit based on State Institute of Statistics, Prime Ministry, Republic of Turkey (2005).

Notes:

- 1) Calculations are exclusive of 4.6% unwaged family workers.
- 2) Including unwaged family workers.
- 3) Excluding unwaged family workers.

Since the incomes are calculated as gross figures, they must be corrected for tax and social security contributions. The basis for these tax calculations is 'Personal Income Tax Systems', pp. 413 ff. in OECD (2004). The calculations are as follows.

Table 4.3. Tax calculations at the individual level. 2003.

	Cities ¹ Lira	Countryside ² Lira	Countryside ³ Lira
0 Gross wage earnings	7,444,892,670	3,365,833,303	5,563,360,832
1 Basic allowance	540,000,000	540,000,000	540,000,000
2 Social security contribution	1,116,733,901	504,874,996	834,504,125
3 Total standard tax allowance	1,656,733,901	1,044,874,995	1,374,504,125
4 Taxable income	5,788,158,770	2,320,958,308	4,188,856,707
5 Tax level 1	750,000,000	750,000,000	750,000,000
6 Tax level 2	157,631,754	-	-
7 Stamp tax	44,669,356	20,195,000	33,380,165
8 Final income tax	952,301,110	770,195,000	783,380,165
9 Total payment to state	2,069,035,010	1,275,069,995	1,617,884,290
10 Take-home pay	5,375,857,660	2,090,763,308	3,945,476,542

Source: Calculations by the Rockwool Foundation Research Unit based on State Institute of Statistics, Prime Ministry, Republic of Turkey (2005), and OECD (2004).

Notes:

- 1) Calculations are exclusive of 4.6% unwaged family workers.
- 2) Including unwaged family workers.
- 3) Excluding unwaged family workers.

Calculation method:

- 0: The average gross income per person.
- 1: An employment allowance deductible for everyone.
- 2: Social security contributions = 15% of gross income.
- 3: Total = 1 + 2.
- 4: Taxable income = 0 – 3.
- 5: Tax level 1. Everyone pays 15% tax on the first 5,000,000,000 Lira of taxable income.
- 6: Tax level 2. A further 20% of taxable income over 5,000,000,000 Lira is payable on the difference up to a maximum of 10,000,000,000 Lira, i.e. 6 = (4 - 5,000,000,000) * 0.2.
- 7: Stamp tax = 0.6% of gross income, a special tax on gross income.
- 8: Total tax = 5 + 6 + 7.
- 9: Paid to the state = 2 + 8.
- 10: Disposable income = 0 – 9.

Now that the calculations of personal income have been corrected for tax and social security contributions, it is possible to make the further correction for housing rental costs. Figures for net disposable income corrected for housing rent are shown in Table 4.4.

Table 4.4. Net income at the household and individual levels in urban and rural areas, corrected for housing rental costs. 2003.

Area	Net income Lira
APW	7,049,611,883
2/3 APW	4,814,996,824
Household level: Cities	10,514,267,846
Countryside	7,434,891,342
Individual level: Cities	4,430,356,291
Countryside, inc. unwaged family members	1,663,302,479
Countryside, exc. unwaged family members	3,238,929,716

Source: Calculations by the Rockwool Foundation Research Unit based on OECD (2004), State Institute of Statistics, Prime Ministry, Republic of Turkey (2005), and Eurostat New Cronos Database.

With income levels corrected for tax, social security contributions, and housing rental costs, it is now possible to calculate global social security comparisons.

5. Part 2: Global Social Security for Refugees and Immigrants

In order to obtain meaningful results it is necessary that all the figures be adjusted for purchasing power, i.e. that we even out price differences between the various countries. We convert the figures to purchasing power in US Dollars using 'Purchasing Power Parities' in OECD (2004) p. 456.

Disposable income in this section is calculated as the net level of payments (i.e. transfer payments after deductions of tax, social security contributions, and housing rental costs) in relation to the various measures of net income in Turkey, corrected for housing rental costs. The specific income measures are given in each section of the following.

5.1. Asylum Seekers

In Table 5.1. we present the amounts that an asylum seeker may receive in a host country in comparison to what a person in employment in Turkey in the industrial sector and a person working in a rural area would earn after tax, social security payments and housing rental costs had been paid. Both here and in the section on recognized refugees we still use the 2/3 APW as a measure of individual income from more general employment in urban areas. This is so that the income used will reflect general levels in the more developed parts of Turkish society, and not just the income of those employed in industry. Table 4.4. shows that average income in the urban areas and the income of the 2/3 APW are very similar. It is also necessary to bear in mind that some of the workers whose incomes are included in the Turkish urban figures are casual workers or in part-time employment. We would therefore suggest that these two measures of income are very comparable, and that in this way one can get an idea of the income of the most efficient full-time urban employee.

Table 5.1. Disposable income after payment of housing rental costs for unemployed, single asylum seekers expressed as percentages of various measures of income in Turkey, 2003.

	Benefit payments ¹	APW	2/3 APW	Rural ²	Rural ³
	US \$	%	%	%	%
Canada	1,918	22	32	47	92
Denmark	2,765	31	46	68	133
Germany	3,221	37	54	79	155
Great Britain	3,014	34	50	74	145
Italy	-	-	-	-	-
Netherlands	2,160	25	36	53	104
Sweden	2,626	30	44	65	126
----- Incomes (US \$) -----					
Turkey		APW	2/3 APW	Rural ²	Rural ³
		8,820	6,024	4,052	2,081

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006), OECD (2004), State Institute of Statistics, Prime Ministry, Republic of Turkey (2005), and Eurostat New Cronos Database.

Notes:

1) Corrected for purchasing power.

2) Excluding unwaged family workers.

3) Including unwaged family workers.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs. In addition, all figures are converted to purchasing power in US Dollars. 2003.

5.2. Recognized Refugees

If instead we consider recognized refugees who are entitled to full social assistance benefits in all countries except Denmark (for which we again present two different figures, the introductory allowance and full social assistance benefits), we find relative disposable incomes as follows.

Table 5.2. Disposable income after payment of housing rental costs for single, unemployed refugees expressed as percentages of various measures of income in Turkey. 2003.

	Benefit payments ³		2/3 APW %	Rural ⁴ %	Rural ⁵ %
	US \$	APW %			
Canada	1,918	22	32	47	92
Denmark ¹	2,623	30	44	65	126
Denmark ²	5,577	63	93	138	268
Germany	3,726	42	62	92	179
Great Britain	4,306	49	72	106	207
Italy	3,395	39	56	84	163
Netherlands	7,248	82	120	179	348
Sweden	3,957	45	66	98	190
----- Incomes (US \$) -----					
Turkey		APW	2/3 APW	Rural ⁴	Rural ⁵
		8,820	6,024	4,052	2,081

Source: Own calculations based on Hansen (2006), OECD (2004), State Institute of Statistics, Prime Ministry, Republic of Turkey (2005), and Eurostat New Cronos Database.

Notes:

1) Rates for introductory allowance in 2003.

2) For those entitled to full social assistance benefit.

3) Corrected for purchasing power. An estimated figure to cover housing rent is deducted from benefit payments for Denmark. The figure for the Netherlands has also been corrected, in this case for a housing supplement included in the level of benefit. In this way the figures for all the countries are made comparable (see Hansen, 2006).

4) Excluding unwaged family workers.

5) Including unwaged family workers.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs. In addition, all figures are converted to purchasing power in US Dollars. 2003.

5.3. Reunified Refugee Families

In this section we compare what a reunified refugee family consisting of a couple and one child can receive in benefits compared with Turkish families in employment living both in urban and rural areas. The right to child benefits is taken into account in the calculations for the Western countries. The table thus reflects the purchasing power of the disposable income of families in the two different situations. In the case of Denmark, two figures are again presented, the first based on what the parents will receive in introductory allowance, and the second for what they will receive when they have both become entitled to full social assistance benefits in accordance with the current regulations.

Table 5.3. Disposable income after payment of housing rental costs for reunified refugee families (both unemployed) expressed as percentages of various measures of income in Turkey, 2003.

	Benefit payments ³ US \$	Urban areas %	Rural areas %
Canada	5,826	44	63
Denmark ¹	9,774	74	105
Denmark ²	16,790	128	180
Germany	10,522	80	113
Great Britain	12,295	93	132
Italy	7,068	54	76
Netherlands	13,111	100	141
Sweden	8,365	64	90
----- Incomes (US \$) -----			
Turkey	Households in urban areas	Households in rural areas	
	13,155	9,302	

Source: Own calculations based on Hansen (2006), OECD (2004), and State Institute of Statistics, Prime Ministry, Republic of Turkey (2005).

Notes:

- 1) Both spouses receiving introductory allowance in accordance with the amended regulations of 2002.
- 2) Both spouses entitled to full social assistance benefits.
- 3) An estimated figure to cover housing rent is deducted from benefit payments for Denmark. The figure for the Netherlands has also been corrected, in this case for a housing supplement included in the level of benefit. In this way the figures for all the countries are made comparable (see Hansen, 2006).

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs. In addition, all figures are converted to purchasing power in US Dollars, 2003.

References

Eurostat New Cronos Database: Household budget survey (HBS):

http://epp.eurostat.ec.eu.int/portal/page?_pageid=1996,45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/livcon/hbs&language=en&product=EU_MASTER_living_conditions_welfare&root=EU_MASTER_living_conditions_welfare&scrollto=0

Hansen, Hans (2006). *From Asylum Seeker to Refugee to Family Reunification. Welfare Payments in These Situations in Various Western Countries*. Rockwool Foundation Research Unit Working Paper no. 13. Copenhagen: Rockwool Foundation Research Unit.

Jensen, Bent, with introduction by Torben Tranæs (2005). *Indvandringen til Europa. Velfærdsstat og integration*. Copenhagen: Gyldendal.

OECD (2004). *Taxing Wages 2002-2003*. Paris: OECD.

State Institute of Statistics, Prime Ministry, Republic of Turkey (2005). *Turkey's Statistical Yearbook*. Ankara: State Institute of Statistics, Prime Ministry, Republic of Turkey.

Addendum

In the following tables, the 2/3 APW income is calculated with a deduction for housing rental cost which is at 2/3 of the level of housing rent given by Eurostat for each individual country. In Denmark, it is then the case that there is no longer any entitlement to housing allowance at this lower level of housing rent.

Addendum Table 1. The purchasing power of an unemployed, single asylum seeker's disposable income after housing rental costs. Percent of the income of those in employment. 2003.

	APW	2/3 APW
Canada	9	13
Denmark	16	22
Germany	19	26
Great Britain	16	22
Italy	-	-
Netherlands	11	15
Sweden ¹	21	30

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006) and Eurostat New Cronos Database.

Note:

1) For Sweden we assume that asylum seekers are over the age of 29, which would mean that they were not entitled to housing allowance. We are informed through correspondence with Hans Hansen that the levels of income in the other European countries would also mean that there would be no entitlement to housing allowance.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs, 2003.

Addendum Table 2. The purchasing power of an unemployed, single refugee's disposable income after housing rental costs. Percent of the income of those in employment. 2003.

	APW	2/3 APW
Canada	9	13
Denmark ¹	15	21
Denmark ²	32	45
Germany	23	30
Great Britain	22	31
Italy	22	30
Netherlands	37	50
Sweden ³	32	46

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006) and Eurostat New Cronos Database.

Notes:

- 1) Rates for introductory allowance in 2003.
- 2) For those entitled to full social assistance benefit.
- 3) For Sweden we assume that asylum seekers are over the age of 29, which would mean that they were not entitled to housing allowance. We are informed through correspondence with Hans Hansen that the levels of income in the other European countries would also mean that there would be no entitlement to housing allowance.

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs, 2003.

Addendum Table 3. The purchasing power of an unemployed, reunified refugee family's (two adults and one child) disposable income after housing rental costs in relation to a single person in employment. 2003.

	APW	2/3 APW
Canada	27	36
Denmark ¹	52	71
Denmark ²	89	122
Germany	57	72
Great Britain	59	81
Italy	43	58
Netherlands	64	85
Sweden ³	62	86

Source: Calculations by the Rockwool Foundation Research Unit on the basis of Hansen (2006) and Eurostat New Cronos Database.

Notes:

- 1) Both spouses receiving introductory allowance in accordance with the amended regulations of 2002.
- 2) Both spouses entitled to full social assistance benefits.
- 3) An estimated figure to cover housing rent is deducted from benefit payments for Denmark. The figure for the Netherlands has also been corrected, in this case for a housing supplement included in the level of benefit. In this way the figures for all the countries are made comparable (see Hansen, 2006).

NB: All incomes are calculated after deduction of tax, social security contributions, and housing rental costs, 2003.

Publications in English from the Rockwool Foundation Research Unit

Time and Consumption

Edited by Gunnar Viby Mogensen. With contributions by Søren Brodersen, Thomas Gelting, Niels Buus Kristensen, Eszter Körmendi, Lisbeth Pedersen, Benedicte Madsen, Niels Ploug, Erik Ib Schmidt, Rewal Schmidt Sørensen, and Gunnar Viby Mogensen (Statistics Denmark, Copenhagen. 1990)

Danes and Their Politicians

By Gunnar Viby Mogensen (Aarhus University Press. 1993)

Solidarity or Egoism?

By Douglas A. Hibbs (Aarhus University Press. 1993)

Welfare and Work Incentives. A North European Perspective

Edited by A.B. Atkinson and Gunnar Viby Mogensen. With Contributions by A.B. Atkinson, Richard Blundell, Björn Gustafsson, Anders Klevmarken, Peder J. Pedersen, and Klaus Zimmermann (Oxford University Press. 1993)

Unemployment and Flexibility on the Danish Labour Market

By Gunnar Viby Mogensen (Statistics Denmark, Copenhagen. 1994)

On the Measurement of a Welfare Indicator for Denmark 1970-1990

By Peter Rørmose Jensen and Elisabeth Møllgaard (Statistics Denmark, Copenhagen. 1995)

The Shadow Economy in Denmark 1994. Measurement and Results

By Gunnar Viby Mogensen, Hans Kurt Kvist, Eszter Körmendi, and Søren Pedersen (Statistics Denmark, Copenhagen. 1995)

Work Incentives in the Danish Welfare State: New Empirical Evidence

Edited by Gunnar Viby Mogensen. With contributions by Søren Brodersen, Lisbeth Pedersen, Peder J. Pedersen, Søren Pedersen, and Nina Smith (Aarhus University Press. 1995)

Actual and Potential Recipients of Welfare Benefits with a Focus on Housing Benefits, 1987-1992

By Hans Hansen and Marie Louise Hultin (Statistics Denmark, Copenhagen. 1997)

The Shadow Economy in Western Europe. Measurement and Results for Selected Countries

By Søren Pedersen. With contributions by Esben Dalgaard and Gunnar Viby Mogensen (Statistics Denmark, Copenhagen. 1998)

Immigration to Denmark. International and National Perspectives

By David Coleman and Eskil Wadensjö. With contributions by Bent Jensen and Søren Pedersen (Aarhus University Press. 1999)

Nature as a Political Issue in the Classical Industrial Society: The Environmental Debate in the Danish Press from the 1870s to the 1970s

By Bent Jensen (Statistics Denmark, Copenhagen. 2000)

Foreigners in the Danish newspaper debate from the 1870s to the 1990s

By Bent Jensen (Statistics Denmark, Copenhagen. 2001)

The integration of non-Western immigrants in a Scandinavian labour market: The Danish experience

By Marie Louise Schultz-Nielsen. With contributions by Olaf Ingerslev, Claus Larsen, Gunnar Viby Mogensen, Niels-Kenneth Nielsen, Søren Pedersen, and Eskil Wadensjö (Statistics Denmark, Copenhagen. 2001)

Immigration and the public sector in Denmark

By Eskil Wadensjö and Helena Orrje (Aarhus University Press. 2002)

Social security in Denmark and Germany – with a focus on access conditions for refugees and immigrants. A comparative study

By Hans Hansen, Helle Cwarzko Jensen, Claus Larsen, and Niels-Kenneth Nielsen (Statistics Denmark, Copenhagen. 2002)

The Shadow Economy in Germany, Great Britain, and Scandinavia. A measurement based on questionnaire surveys

By Søren Pedersen (Statistics Denmark, Copenhagen. 2003)

Do-it-yourself work in North-Western Europe. Maintenance and improvement of homes

By Søren Brodersen (Statistics Denmark, Copenhagen. 2003)

Migrants, Work, and the Welfare State

Edited by Torben Tranaes and Klaus F. Zimmermann. With contributions by Thomas Bauer, Amelie Constant, Horst Entorf, Christer Gerdes, Claus Larsen, Poul Chr. Matthiessen, Niels-Kenneth Nielsen, Marie Louise Schultz-Nielsen, and Eskil Wadensjö (University Press of Southern Denmark. 2004)

Black Activities in Germany in 2001 and in 2004. A Comparison Based on Survey Data

By Lars P. Feld and Claus Larsen (Statistics Denmark, Copenhagen. 2005)

From Asylum Seeker to Refugee to Family Reunification. Welfare Payments in These Situations in Various Western Countries

By Hans Hansen (Statistics Denmark, Copenhagen. 2006)

A Comparison of Welfare Payments to Asylum Seekers, Refugees, and Reunified Families. In Selected European Countries and in Canada

By Torben Trancæs, Bent Jensen, and Mark Gervasini Nielsen. (Statistics Denmark, Copenhagen. 2006)

The Rockwool Foundation Research Unit on the Internet

Completely updated information, e.g. about the latest projects of the Research Unit, can be found on the Internet on the home page of the Research Unit at the address:

www.rff.dk

The home page includes in a Danish and an English version:

- a commented survey of publications stating distributors of the books of the Research Unit
- survey of research projects
- information about the organization and staff of the Research Unit
- information about data base and choice of method and
- newsletters from the Research Unit

Printed newsletters free of charge from the Rockwool Foundation Research Unit can also be ordered on telephone +45 39 17 38 32.