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- Tax evasion is taking different routes rather than disappearing
- More rigorous transparency measures and aggressive forms of pressure should be examined



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Refugees in Germany with children still living abroad have lowest life satisfaction

- Study based on IAB-BAMF-SOEP Survey of Refugees in Germany
- Nine percent of polled refugees have left minor children behind abroad, 12 percent have a spouse abroad
- Refugees report a much higher satisfaction with their lives when their nuclear family lives in Germany

LEGAL AND EDITORIAL DETAILS



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Volume 8 October 17, 2018

Publishers

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Phone: +49 1806 14 00 50 25 (20 cents per phone call)

Layout

Roman Wilhelm, DIW Berlin

Cover design

© imageBROKER / Steffen Diemer

Composition

Satz-Rechen-Zentrum Hartmann + Heenemann GmbH & Co. KG, Berlin

ISSN 2568-7697

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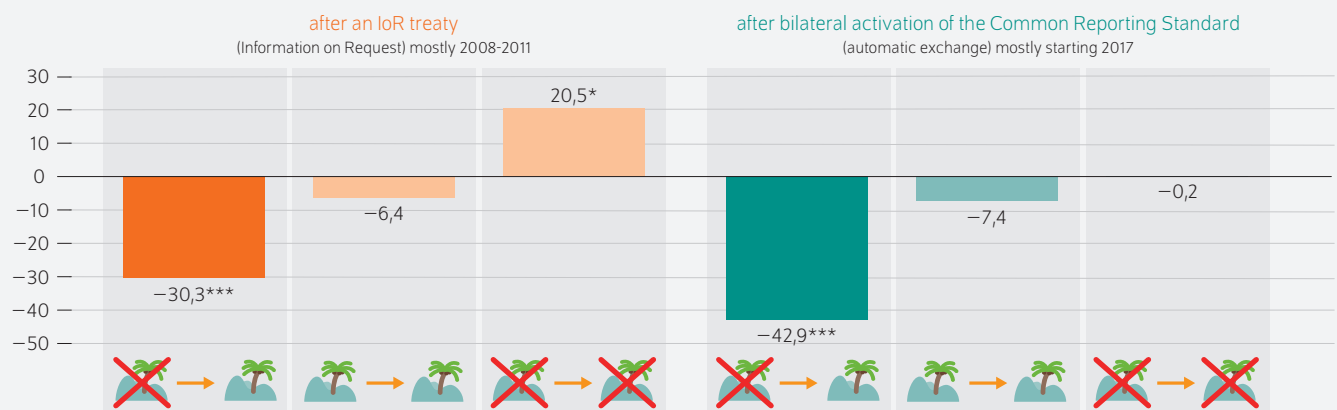
AT A GLANCE

International treaties insufficiently curb global tax evasion

By Lukas Menkhoff, and Jakob Miethe

- German Institute for Economic Research examines whether recent measures affect tax evasion via tax havens
- So far, bank deposits in tax havens dropped when information exchange on request become possible but effects die out after a few years
- New OECD standard on automatic information exchange has similar effects on bank deposits
- Much speaks in favor of an interpretation that tax havens are still used for tax evasion and more rigorous transparency measures and aggressive forms of pressure should be examined

Bank deposits by non-havens in tax havens decrease significantly when information exchange becomes possible Average changes after signature/activation



Note: Significance levels *p<0.1; ***p<0.01
Source: Author's own calculations.

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FROM THE AUTHORS

"The reactions to the activation of automatic information exchange that we observe are hauntingly similar to the reactions to earlier treaties of which we can by now show that they were ineffective in the long term."

— Jakob Miethe, study author —

MEDIA



Audio interview with Jakob Miethe (in German)
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International treaties insufficiently curb global tax evasion

By Lukas Menkhoff, and Jakob Miethe

ABSTRACT

In recent years, the global community has promoted several initiatives aimed at breaking bank secrecy in tax havens. Such treaties for the exchange of information among tax offices can be effective. A treaty between country A and tax haven B reduces deposits from A in banks of B by approximately 30 percent. However, the analysis shows that tax evaders react to such treaties not by becoming honest taxpayers but rather by adapting their practice of tax evasion. Consequently, the international community must crack down on tax evasion more aggressively – for example, by disclosing the final beneficiaries of assets in tax havens or making it difficult for financial institutions in tax havens to access international capital markets.

Tax evasion does not only reduce national tax revenue. International tax evasion (Box 1) in particular is only possible for very wealthy individuals. This contributes to lowering the general population's trust in fiscal justice and government action. Hence the OECD countries in particular are making the effort to prevent the use of tax havens to evade taxes. Based on data from the Bank for International Settlements that have only been published in fall 2016, the present study examines the effect of treaties for this purpose. Of course, the data does not contain a separate category called "tax evasion", but it can be used to determine whether funds were transferred after an international tax treaty was concluded. Such reactions only make sense when there is something to hide, namely, tax evasion. The indirect approach is based on an earlier study¹ with proprietary data that the present one verifies and extends.²

Measures against international tax evasion

On the international level, the Organisation for Economic Co-operation and Development (OECD) is the forum in which measures for preventing international tax evasion are negotiated. Here, the relevant model treaties are developed and the lists of tax havens prominent in the press are compiled (Box 2).

OECD members agree on specific treaties in order to expose international tax evasion. In the wake of the 2008 financial crisis, the G20 group threatened to apply economic sanctions if tax havens did not sign international information exchange treaties with at least 12 other states. The threat was effective: at present there are over 3,000 such signed treaties (see Figure 1) that are analyzed here. Such treaties are signed bilaterally and based on the OECD model treaties. A significant number of them were indeed signed between tax havens and non- havens. If they are based on the OECD initiative,

¹ Niels Johannesen and Gabriel Zucman, "The end of bank secrecy? An evaluation of the G20 tax haven crackdown," *American Economic Journal: Economic Policy*, 6 (2014): 65-91.

² For a detailed discussion, see Lukas Menkhoff and Jakob Miethe, "Tax evasion in new disguise? Examining tax haven's international bank deposits," (2018); and an earlier version, see Lukas Menkhoff and Jakob Miethe, "Dirty Money Coming Home: Capital Flows into and out of Tax Havens," *DIW Discussion Papers* no. 1711 (2017) (available online, accessed September 28, 2018; this applies to all other online sources in this report unless stated otherwise).

Box 1

International tax evasion

When a person who is both a resident and taxpayer in Germany illegally circumvents taxes, this is called tax evasion. In the case of international tax evasion, evaders typically target a destination country for their capital where foreign capital is taxed at a low rate or not at all. They open a bank account in the country and deposit their capital gains in it. If they do not declare these capital gains on their German tax returns, this is a case of global tax evasion. A greatly simplified tax evasion scheme occurs as follows: a "friendly" company or a (shell) company founded by the tax evader presents invoices for, potentially overpriced, services rendered and has them paid to an account in the tax haven. Since no real costs are incurred for these services – consulting services or image rights that are difficult to verify, for example – the capital can be transferred with low "losses." Either the tax evader is the company owner, or the company transfers the funds to a local account of the evader, who is actually liable to pay taxes in Germany. The initial deposit grows over the years and capital gains accrue.

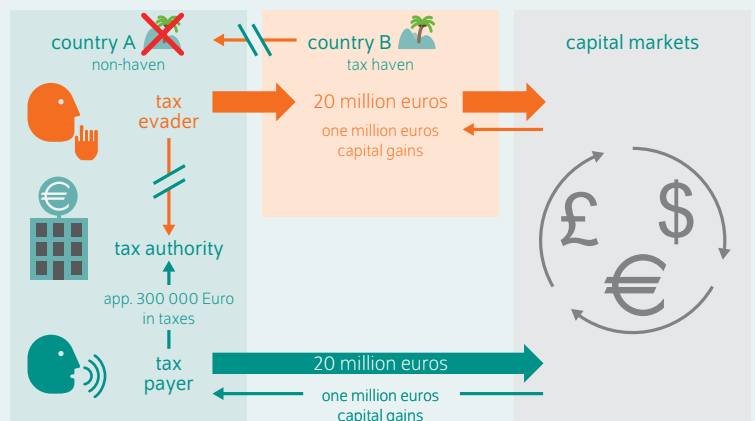
Fictive example

A person from country A has assets worth 20 million euros. This capital is transferred to country B, a tax haven, by invoicing consulting services or selling image rights to a shell company. From the tax haven, people can make global investments: in financial products in Luxembourg, for example. Assuming their capital gains equal one million euros, a tax evader would normally have to pay 300,000 euros worth of taxes each year in country A. But the evader did not declare the capital gains on their tax return in coun-

try A – an illegal omission – therefore the capital gains are tax-free because country B does not have a capital gains tax. An honest taxpayer with the same assets would declare the capital gains in country A and pay taxes there.

Figure

A stylized example of international tax evasion



Source: Author's own depiction.

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Tax evaders use tax havens in order to evade taxation in their home country.

such Information-on-Request (IoR) treaties, the general term, are called tax and information exchange agreements (TIEA). Additionally, double taxation conventions (DTC), that already existed between countries, were expanded to include options for information exchange on request.

When Germany signs an IoR treaty with Bermuda, as it did in the third quarter of 2009, the German tax authorities can ask the authorities in Bermuda for information on the accounts of a specific person. To do this, however, the German authorities must have a documented suspicion of tax evasion via the country that is party to the treaty. They must also show that they cannot get the required information without the partner country's help, and the partner country must not incur disproportionate expenses due to the request. Due to this necessity of a specific and well documented suspicion these treaties have been able to uncover only very few cases of tax evasion.³

For this reason, the OECD has drawn up a standard for automatic information exchange called the Common Reporting Standard (CRS). The convention was signed by multiple

countries.⁴ However, the actual exchange of information under the CRS can only be activated bilaterally. Such activations are taking place since 2017.

The CRS and other treaties on the international exchange of information⁵ document the political effort involved in cracking down on international tax evasion. The issue is to quantify just how successful the measures are.

The effect of international treaties has already been analyzed

Danish economist Niels Johannesen and his French colleague Gabriel Zucman authored a pioneering study on international tax evasion in 2014.⁶ They had exclusive access to Bank for International Settlements (BIS) data on the balance sheets of the banking systems of individual tax havens

⁴ Called the Multilateral Competent Authority Agreement, it has been signed in several rounds by more and more countries. The list of the meetings and the countries that signed can be viewed on the OECD website.

⁵ It is worth mentioning the Foreign Account Tax Compliance Act (FATCA), which implements automatic information exchange on a bilateral level, but only with the U.S. The list of FATCA signatories can be viewed on the website of the U.S. Treasury.

⁶ Johannesen and Zucman, "The end of bank secrecy".

³ No statistics collecting such cases are available.

Box 2

Tax havens

Tax havens are states – or small, only partially independent jurisdictions – with specific characteristics. They levy low taxes or none at all on certain types of income such as capital gains. They also uphold high standards of bank secrecy and institutional stability. Tax havens thus function reliably, just not in the spirit of other countries. They specialize in enabling foreign owners of capital to circumvent the laws of their countries of residence in order to attract the capital to their own country. One line of business involves the design of legal constructs that help foreign owners of capital to avoid or significantly reduce their taxes. Another such line of business uses the same opportunities to completely evade taxes. Although morally questionable, avoiding taxes by the means described above is entirely legal. However, by definition tax evasion is illegal. The present study focuses on that second line of business: illegal tax evasion.

Due to the illegal nature of some activities, states do not like to be labeled "tax havens". They would have to be prepared for countermeasures by other states. Accordingly, the political haggling over which states are called tax havens is often long and drawn out. And because the process is subject to political influence, the official lists of tax havens are not entirely useful.¹ With that in mind, we created a list in line with other international researchers. The present study is based on a list of 58 tax havens² consisting of countries that appear on the lists of two different, frequently cited studies.³

¹ See Jakob Miethe, "Die leere Liste der Steueroasen. Kommentar." *DIW Wochenbericht* no. 4 (2018): 72 (in German only; available online).

² They are: Andorra, Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda, British Virgin Islands, Cayman Islands, Chile, Cook Islands, Costa Rica, Curacao, Dominica, Gibraltar, Grenada, Guernsey, Hong Kong, Ireland, Isle of Man, Jersey, Jordan, Lebanon, Liberia, Liechtenstein, Luxembourg, Macao, Malaysia, Maldives, Malta, Marshall Islands, Mauritius, Monaco, Montserrat, Nauru, Dutch Antilles (as of 2010, Curacao and Sint Maarten), Niue, Austria, Panama, Saint Lucia, Samoa, San Marino, Switzerland, Seychelles, Singapore, Sint Maarten, St. Kitts and Nevis, St. Vincent and the Grenadines, Tonga, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Vanuatu, U.S. Virgin Islands, and Cyprus. The tax havens that reported bilateral deposits to the Bank for International Settlement in the data period are underlined.

³ See Jane G. Gravelle, "Tax havens: International tax avoidance and evasion," *Congressional Research Service Report 7-5700* (2015); also see Niels Johannesen and Gabriel Zucman, "The end of bank secrecy? An evaluation of the G20 tax haven crackdown," *American Economic Journal: Economic Policy*, 6 (2014): 65-91.

as reported by national central banks. The data contain the amounts of bank deposits by foreigners, including foreign companies. The BIS statistics used here only include direct international owners. Therefore, if the domestic company that owns the deposit has an international owner itself, the BIS statistics do not record the final beneficiary. The extent to which banks can see through such structures is an open question.

Using the BIS data, the effect of an IoR treaty concluded between two countries is established. If the parties involved are honest taxpayers, the agreement should not have any effect (see Figure 2). However, Johannesen and Zucman's analysis for 2008 to 2010 showed that after the bilateral agreement was concluded, the amount of bank deposits in question was actually lower. Tax evasion apparently declined in this specific bilateral connection, despite the fact that the treaties are basically toothless. However, it is possible to redeploy equity capital relatively cheaply in other countries (for as little as a few hundred U.S. dollars).⁷

Whether tax evasion also declines across all countries cannot be established with this method, because evasive maneuvers are possible. First, tax evaders can divert their money to tax havens that do not have treaties with their country of residence. Second, they can establish complicated structures beyond an account held in a tax haven. In both cases, the total volume of taxes avoided does not decrease. Indeed, the statistics in relevant studies⁸ indicate that the total amount of untaxed capital even increases.

More recent analyses: IoR treaties were bilaterally effective...

With the data publicly available since 2016, the analysis summarized above can approximately be reproduced. After an IoR treaty was concluded between country A and country B, whereby B is a tax haven, the deposits of citizens from country A into the banks of country B declined by 30 percent (see Table 1). Column 2 reproduces the findings of Johannesen and Zucman using the tax haven list, the agreements, and the time period of their study. The effect determined here (Column 1) is greater than the effect previously shown because a more rigorous definition of IoR treaties was used. It does not depend on the precise definition of a tax haven (see Box 2).⁹

To be certain that the effects were actually due to the OECD-enforced TIEAs as anticipated, and not due to updated double taxation conventions (DTCs), these two types of IoR treaties

⁷ See Jason C. Sharman, "Shopping for anonymous shell companies: An audit study of anonymity and crime in the international financial system," *Journal of Economic Perspectives* 24 (4) (2010): 127-140; also see Michael G. Findley, Daniel L. Nielson, and Jason C. Sharman, *Global shell games: Experiments in transnational relations, crime, and terrorism*, (Cambridge: Cambridge University Press, 2013).

⁸ See Gabriel Zucman, "The missing wealth of nations: Are Europe and the U.S. net debtors or net creditors?" *Quarterly Journal of Economics* 128 (3) (2013): 1321-1364; also see Valeria Pellegrini, Alessandra Sanelli, and Eric Tosti, "What do external statistics tell us about undeclared assets held abroad and tax evasion?" (Working Paper, Bank of Italy, Rome, 2016).

⁹ For details and robustness exercises, see Menkhoff and Miethe, "Tax evasion in new disguise?"

were examined separately. The analysis shows that DTCs did not drive the effect (see Column 3).

Most IoR treaties were signed immediately after the economic and financial crisis of 2008/2009, a time period when international bank liabilities were sharply reduced. To be certain that such developments do not drive the results, a placebo analysis was carried out that reflects this signature momentum. This placebo shows no effect (see Column 3).

To further verify that these effects do not reflect any other reactions, Column 4 shows, as expected, that IoR treaties between two tax havens (for example, Guernsey and the Cayman Islands) do not have an influence. On the other hand, IoR treaties between non-havens such as France and Japan even have slightly positive effects. These effects are primarily driven by DTCs that are concluded between countries in whose bank deposits untaxed capital most likely plays a minor role.

...but circumvented in the medium term

The effect of IoR treaties begins up to two quarters before they come into force and persists for at least 20 quarters after they are concluded.¹⁰ However, the effect is driven by earlier IoR treaties. To show this, we carried out a rolling analysis that took into consideration the average of the cases two years before and after a specific quarter (see Figure 3). It clearly indicates that the effect of TIEAs was only statistically significant and different from zero until around 2010. Since then, new TIEAs apparently have no longer had any effect on foreign investors' level of bank deposits.

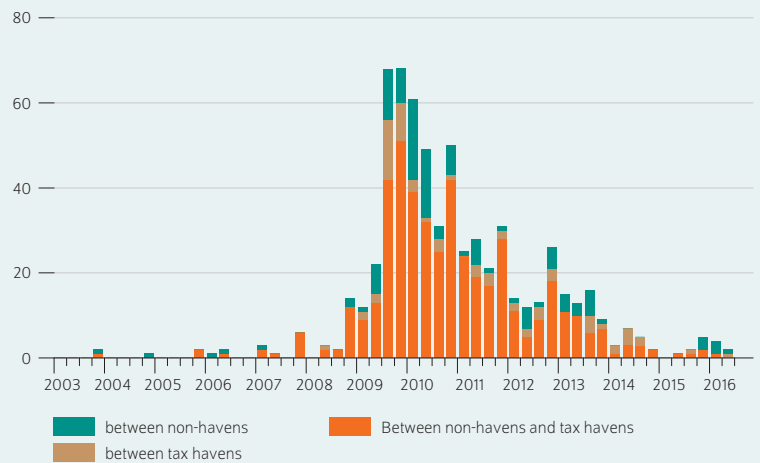
Effects of more recent CRS activations

Although this diminishing effect has not been scientifically documented previously, those responsible at the tax authorities were surely aware of how little difference an IoR treaty can make on its own. The circumvention strategies are too obvious for these agreements to be successful at permanently preventing tax evasion. Various leaks have revealed how popular constructs work. As disclosed in the Panama Papers (Vladimir Putin's cellist¹¹) or the Football Leaks (Cristiano Ronaldo's consultant or Lionel Messi's father¹²), an unsuspecting relative or close friend becomes the owner of the account.

This is one of the reasons why the OECD developed the Common Reporting Standard (CRS) as a standard for the automatic exchange of bank information. The first bilateral exchange relationships were activated in 2017 and the initial evidence of their effect is now available. Using the method described above, we found the same effect that IoR treaties have. When country A and tax haven B have both signed the

Figure 1

Signatures of Information-on-Request (IoR) treaties Number per year



Notes: only TIEAs based on the OECD initiative are plotted.

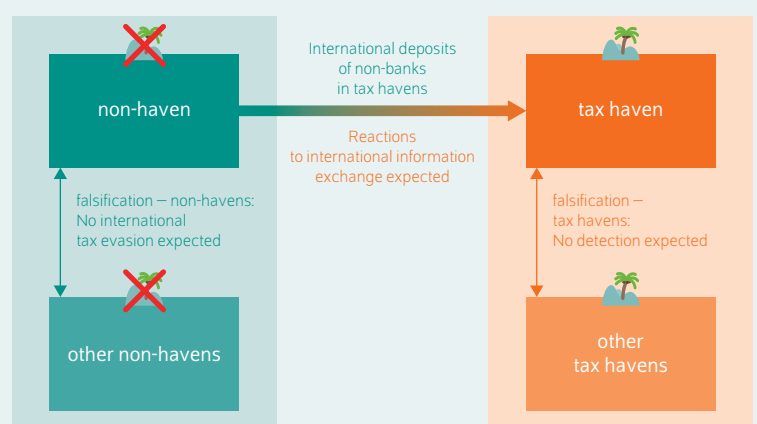
Source: OECD.

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Many IoR treaties between tax havens and non-havens were signed after the financial crisis.

Figure 2

International treaties against tax evasion affect deposits in tax havens



Source: Author's own depiction.

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Reactions to information exchange treaties are expected in bank deposits from non-havens in tax havens.

¹⁰ For a detailed discussion, see Menkhoff and Mieth, "Tax evasion in new disguise?"

¹¹ See Julian Hans, "Putin-Freund Sergej Roldugin: Melodien für Milliarden," *Süddeutsche Zeitung*, April 10, 2017 (in German; available online).

¹² See "Die Dose des Ronaldo," *Der Spiegel*, 49/2016, December 3, 2016: 15-25.

TAX EVASION

Table 1

Reactions of bank deposits to IoR treaties (Information on Request)

Regression analysis with dependent variable: bilateral deposits

	deposits from non-havens in tax havens			deposits between tax havens	deposits between non-havens
	main results	Johannessen & Zucman (2014) specification (sample, list, treaties)	separation of treaties	falsification	falsification
	(1)	(2)	(3)	(4)	(5)
IoR treaty	-0.303*** (0.087)	-0.133** (0.062)		-0.064 (0.123)	0.205* (0.122)
quarter prior to IoR	-0.146* (0.075)				
two quarters prior to IoR	-0.130* (0.066)				
Tax Information Exchange Agreements (TIEA)			-0.508*** (0.094)		
Double Taxation Conventions (DTC)			0.097 (0.122)		
placebo			-0.005 (0.045)		
financial weight	0.554*** (0.199)		0.567*** (0.200)	0.525*** (0.196)	0.385*** (0.131)
country-pair fixed effects	✓	✓	✓	✓	✓
year-quarter fixed effects	✓	✓	✓	✓	✓
observations	28.682	16.523	28.682	11.133	27.431
R ²	0.081	0.120	0.088	0.083	0.152
adjusted R ²	0.061	0.089	0.068	0.061	0.135

Notes: Significance levels: *p<0.1, ** p<0.05, *** p<0.01, standard errors in parantheses.

Source: Author's own calculations.

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Table 2

Reactions of bank deposits to the bilateral activation of automatic information exchange (CRS)

Regression analysis with dependent variable: bilateral deposits

	deposits from non-havens in tax havens		deposits between tax havens	deposits between non-havens
	only CRS activation	including all variables	falsification	falsification
	(1)	(2)	(3)	(4)
CRS activation	-0.429*** (0.080)	-0.383*** (0.076)	-0.074 (0.133)	-0.002 (0.094)
IoR treaty		-0.275*** (0.080)	-0.061 (0.123)	0.205* (0.123)
amnesty		0.016 (0.074)		
placebo		-0.011 (0.044)		
financial weight	0.557*** (0.200)	0.558*** (0.198)	0.521*** (0.196)	0.385*** (0.131)
country-pair fixed effects	✓	✓	✓	✓
year-quarter fixed effects	✓	✓	✓	✓
observations	28.682	28.682	11.133	27.431
R ²	0.079	0.084	0.083	0.152
adjusted R ²	0.059	0.064	0.061	0.135

Notes: Significance levels: *p<0.1, ** p<0.05, *** p<0.01, standard errors in parantheses.

Source: Author's own calculations.

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CRS convention, the bank deposits from A in B decrease (see Table 2). At the same time, many countries have initiated an amnesty program that allows tax evaders to report themselves. On average, these have no effect (see Column 2). This contradicts the hypothesis that the CRS led to legalizations. The effects are also independent of IoR treaties and the placebo analysis described above.

Again, no effect on deposits between tax havens is visible. Examining the countries in which there is assumed to be no tax evasion of the type studied here as well – all non-havens – the effect described above does not occur. This indicates that the CRS convention does affect international tax evasion. Johannesen and Zucman already conjectured that there could be deposit shifting to tax havens that do not cooperate and have partially shown this in their data. It is also already possible to circumvent the CRS.

One possibility to do so is to conceal the ultimate beneficiary using a complicated ownership chain. In detail: individuals from Germany would not invest capital in Bermuda themselves or through a relative. Instead, they would found a company in Bermuda. In the next link in the chain of concealment, that company would belong to a company from Panama whose economic beneficiary is the person from Germany. Ownership chains like these make it difficult to uncover tax evasion. It is not impossible to look through them because banks are obligated to determine the ultimate beneficiary of a deposit to comply with anti-money-laundering regulations, but this can be difficult.

Another strategy that major tax evaders use is even simpler. They purchase citizenship and the associated tax residency. In the case of deposits in a bank in the Turks and Caicos Islands, for example, the capital would belong to a citizen and tax resident of the territory – who is a German citizen at the same time but does not officially declare this in the Turks and Caicos Islands. In this cases, no international tax agreement applies because those only cover foreigners. The deposits would not even show up in the BIS statistics used here since they would no longer constitute international liabilities.

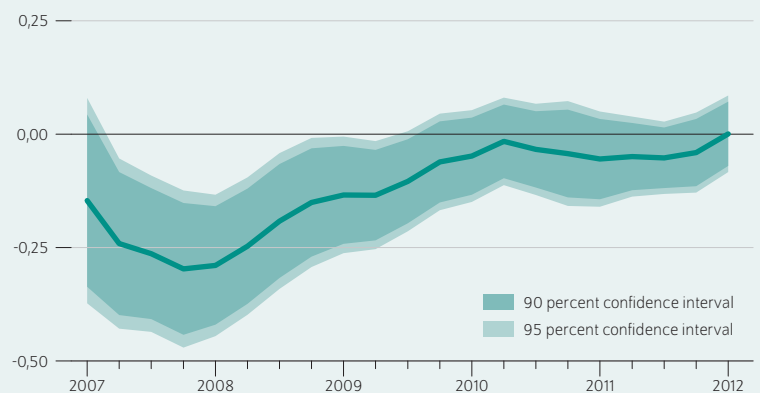
Our reassessment of the effect of the automatic information exchange and exclusion of legalization movement allows us to conclude that a treaties only function until a method of adaptation is found. These adaptations can affect the form of tax evasion and new treaties will generate new effects. Since the changes in bank deposits in reaction to the CRS are of the same magnitude as in reaction to IoR treaties, it seems that tax evasion is taking different routes rather than disappearing.

Conclusion: tax evasion must be tackled more systematically

The effectiveness of IoR treaties is still very doubtful. The reaction to IoR treaties and later, to the activation of the CRS convention, document that international tax evasion is still

Figure 3

Rolling analysis of the effect of contemporary IoR treaties



Source: Author's own calculations.

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IoR treaties only had an effect for a few years.

taking place. Assuming that the transition from IoR treaties to the CRS exposes the adaptive maneuvers of tax evaders, we can expect that they will also respond to the CRS convention by adapting.

For economic policy, the measures contained in the CRS must be viewed positively because they are likely to be a deterrent in some cases and to increase the complexity and cost of evading taxes in any case. However, the loopholes are so large, the monetary benefits of evasion so high, and the supporters provide the required services to tax evaders so professional that the global community must become much more aggressive towards tax evasion in order to prevent it.

The first step is to expand participation in the CRS by completing the international bilateral activation network. The most difficult aspect will be integrating the U.S. However, this alone will not be sufficient because as described above, the CRS can already be circumvented.

Most people with private incomes tend to use very small countries such as Bermuda, which are economically almost insignificant, to evade taxes. It would be possible to “force” them to cooperate by billing them for part of the external costs (in the form of lost tax revenue in other countries). In 2013,¹³ Zucman suggested levying an export tax for Switzerland, for example. However, actions like this could generate risks for foreign trade policy. Experience gained by enforcing IoR treaties also shows that even the threat of sanctions can lead to the cooperation of tax havens. On the other hand, Zucman’s proposed global financial register of who possesses which financial product would increase transparency and could probably be implemented without triggering a trade war.

¹³ See Gabriel Zucman, *The hidden wealth of nations: The scourge of tax havens*, (Chicago: University of Chicago Press, 2013).

The United Kingdom recently took a further step by stipulating that its overseas territories (such as Bermuda or the Cayman Islands) must not only determine the beneficiaries of the companies headquartered there, but publicize them as well. Unfortunately, the three British Crown Dependencies in Europe that are also key tax havens (Guernsey, Jersey, and the Isle of Man) are excluded from this transparency increasing measure.

The U.S. has provided another example by giving Switzerland's financial institutions an ultimatum: either reveal the names of American citizens with Swiss bank accounts (in other

words, break bank secrecy) or be excluded from the financial markets of the United States. Smaller tax havens might have to be compensated for the benefits of being a tax haven they would lose, because they often have no other model for economic development.

However, even ruthlessly pursuing such methods would at best contribute to minimizing the problem of private tax evasion. It would not even touch the much greater realm of corporate tax evasion, in which developed countries themselves are highly active.

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JEL: H26, F38

Keywords: Tax evasion, international information exchange treaties, international bank deposits, tax havens

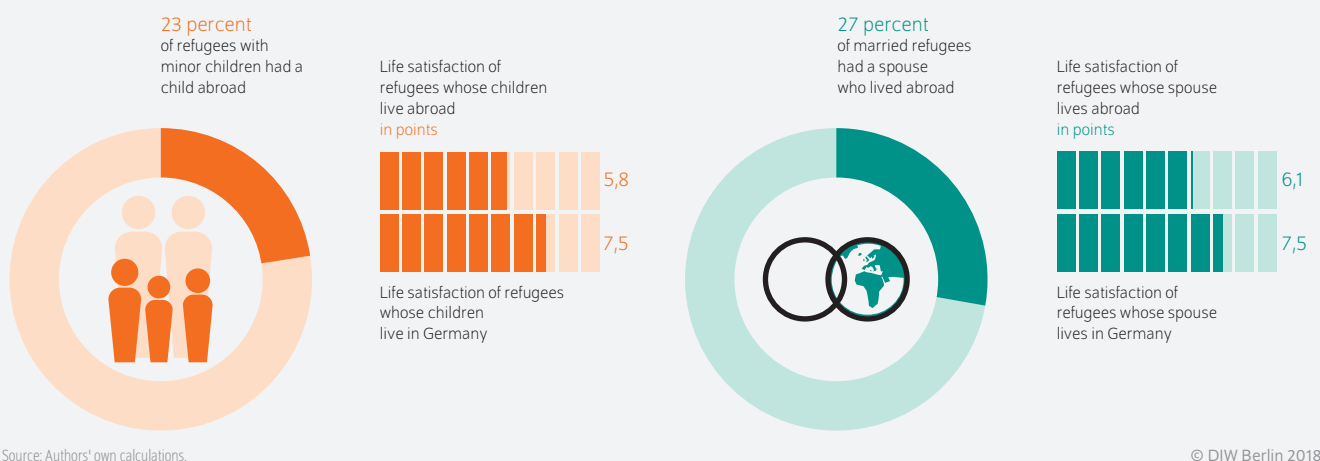
AT A GLANCE

Refugees in Germany with children still living abroad have lowest life satisfaction

By Ludovica Gambaro, Michaela Kreyenfeld, Diana Schacht, and C. Katharina Spieß

- Study based on IAB-BAMF-SOEP Survey of Refugees examines family structures and well-being of refugees in Germany for the first time
- Nine percent of refugees aged 18 to 49 who came to the country between January 2013 and January 2016 have minor children living outside Germany
- Twelve percent of refugees have a spouse living outside Germany
- Refugees whose nuclear family lives in Germany are measurably more satisfied with their lives than others
- Policy debate should take these findings into account, especially in the debate on family reunification

A significant proportion of the refugees had to leave their spouse or children behind abroad. They are considerably less happy with their lives than other refugees



FROM THE AUTHORS

“More has to be done to prevent the absence of refugees’ next of kin turning into an obstacle to integration and, for those who do have their closest relatives here, to reap the potential this represents. Simple measures of support for refugees and their families in their everyday life are called for, beyond mere language classes.”

— Diana Schacht, study author —

DATA

The refugee sample the study is based on comprises **3386 persons.**

Refugees in Germany with children still living abroad have lowest life satisfaction

By Ludovica Gambaro, Michaela Kreyenfeld, Diana Schacht, and C. Katharina Spieß

ABSTRACT

Family strongly influences personal well-being—especially in the case of refugees, whose family members often remain in their homeland. This report is the first to closely examine the well-being and family structures of refugees who came to Germany between January 2013 and January 2016. It uses data from the IAB-BAMF-SOEP Survey of Refugees in Germany. Among individuals aged between 18 and 49, nine percent have minor children living outside Germany, whereas twelve percent have a husband or wife living abroad. If the nuclear family is living in Germany—which is more often the case for women than men—refugees are measurably more satisfied with their lives. These findings are also confirmed when accounting for other potential factors for well-being. These findings should be given greater consideration—not least in the debate on family reunification—to enable successful migration, integration, and family policies.

The American sociologist Rubén Rumbaut (1997)¹ once stressed that migration is a family affair, with the family being particularly important in the migration process. Familial ties can improve the well-being and social participation of individuals with migration background. However, familial ties sometimes are an obstacle to integration if families as a whole are not regularly in contact with and participating in society. Once again, the latest migration report by the Academic Advisory Council on Family Matters (*Wissenschaftlicher Beirat für Familienfragen*) has shown² that integration and social participation are always a family affair—for example, efforts to integrate children must also address their parents' situation and possible problems. These findings from general migration research should also apply to refugees and their families.

Countless individuals, especially from war-torn and crisis regions, have migrated to Germany over the past years. Many were unable to take their families with them but generally aim to bring them over later. According to German law, those with a right to asylum or recognized refugees under the 1951 Refugee Convention have a right to the subsequent immigration of their spouse and minor children (Box 1). For refugees with subsidiary protection status³ different rules applied until July 2018, as family reunification had not been possible for this group for three years. However, since August 2018, 1,000 family members of refugees with subsidiary protection have been allowed to move to Germany every month.⁴ According to a European Commission directive, family reunification is “a necessary way of making family life possible. It helps to create socio-cultural stability facilitating the integration

¹ Cf. Rubén G. Rumbaut, “Ties that bind. Immigration and immigrant families,” in *Immigration and the family. Research and Policy on U.S. Immigrants*, ed. Alan Booth et al. (Mahwah, 1997), 3–46.

² Cf. Wissenschaftlicher Beirat für Familienfragen beim Bundesministerium für Familien, Senioren, Frauen und Jugend, *Migration und Familie. Kindheit mit Zuwanderungshintergrund* (2016) (in German; available online, accessed October 4, 2018; this applies to all other online sources in this report unless stated otherwise).

³ Individuals are entitled to subsidiary protection if the Federal Office for Migration and Refugees (*Bundesamt für Migration und Flüchtlinge*, BAMF) recognizes that they are threatened with serious harm in their country of origin, for example as a result of an armed conflict (§ 4 para. 1 Asylgesetz).

⁴ Cf. Bundesregierung, *Entwurf eines Gesetzes zur Neuordnung des Familiennachzugs zu subsidiär Schutzberechtigten (Familiennachzugsneuordnungsgesetz)* (2018) (in German; available online).

Box 1

Legal regulations on family reunification in Germany

In Germany, refugees' right to family reunification is based on the protection of marriage and the family enshrined in the Basic Law for the Federal Republic (Basic Law, Article 6 para. 1 and para. 2 p. 1). It is also affirmed in the UN Convention on the Rights of the Child and the directives of the Council of the European Union, which emphasize the important role family reunification plays in the social integration of third-country nationals in EU member states.¹ The right to family reunification is regulated in § 29 of the Residence Act (*Aufenthaltsgesetz*). Family reunification is possible when a refugee files an application within three months after her refugee status has been granted. No other condition needs to be met, other than that the family cannot be reunited in a third country outside the EU. Other third country nationals have to meet more stringent conditions for family unification, such as proving sufficient living space and secure income.

The right to family reunification applies to the nuclear family. In the case of minors, this refers to their parents or other guardians if no other guardians are located in Germany; in the case of adults, this refers to their spouse or registered partner and unmarried minor children. In exceptional cases (as to "avoid exceptional hardship" in the sense of § 36 para. 2 Residence Act), other family members such as grandparents, nephews, nieces, brothers-in-law, sisters-in-law, adult children, or siblings may be granted reunification. In practice, however, family reunification beyond the nuclear family is rare. According to the Federal Office for Migration and Refugees (BAMF),² the share of non-nuclear family members being granted the right to move to Germany based on the grounds of family reunification is only one percent.

As part of the second asylum policy package, the right to family reunification for individuals under subsidiary protection (§ 25 para. 2 sentence 1.2 Residence Act) who received a residence permit after March 17, 2016, was restricted.³ The right to family reunification was originally suspended until March 16, 2018 (§ 104

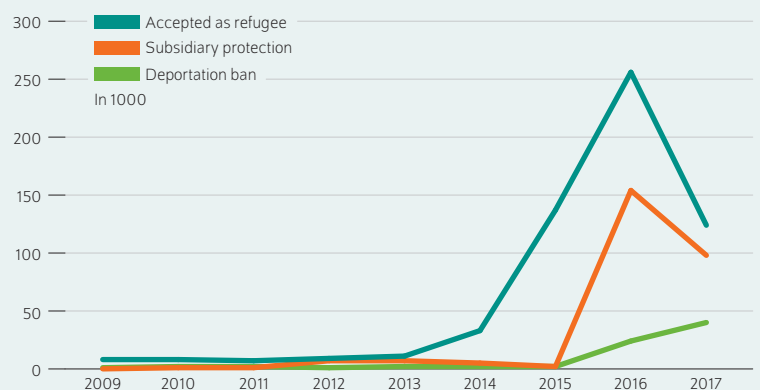
para. 13 Residence Act), and later extended to July 31, 2018, by the Act to Prolong the Suspension of Family Reunification (*Gesetz zur Verlängerung der Aussetzung des Familiennachzugs*). Since August 1, 2018, family reunification for individuals under subsidiary protection on humanitarian grounds has been granted for up to 1,000 family members per month to ensure a balance between "the establishment of familial relationships," which is required on humanitarian grounds, and the "absorption capacity of the Federal Republic of Germany."⁴

Since the second asylum package was implemented, the share of individuals who were granted subsidiary protection has risen sharply and currently accounts for almost half of all accepted asylum applications (Figure).

⁴ See the Federal Government's draft of the new regulation for family reunification for individuals under subsidiary protection, Bundestag-Drucksache 19/2438 (in German; available online).

Figure

Refugees in Germany by outcome of asylum procedure



Note: Without refused applications and formal decisions

Source: Bundesamt für Migration und Flüchtlinge (BAMF); authors' own representation based on the decisions of asylum procedures.

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The number of refugees who only received subsidiary protection has risen sharply since the introduction of the second asylum policy package.

¹ See Directive 2003/86/EC of the Council of the European Union from September 22, 2003, regarding the right to family reunification (available online).

² Cf. BAMF, *Familiennachzug von Drittstaatsangehörigen. Fokusstudie der deutschen nationalen Kontaktstelle für das Europäische Migrationsnetzwerk (EMN)* (2017) (in German).

³ Bundesregierung, *Entwurf eines Gesetzes zur Neuordnung des Familiennachzugs zu subsidiär Schutzberechtigten (Familiennachzugsneuordnungsgesetz)* (in German).

of third-country nationals in the Member State, which also serves to promote economic and social cohesion."⁵

Although refugee family reunification has long been a topic of discussion in Germany, there is hardly any empirical evidence on refugees' families, their composition and characteristics, or on the significance of family for refugees. This

⁵ Cf. Supplementary grounds in paragraph 4 of Directive 2003/86/EC of the European Commission.

is also due to the fact that a reliable database for investigating the family structures of refugees was not available until recently. However, the IAB-BAMF-SOEP Survey of Refugees enabled the creation of a database with such information (Box 2). The database contains representative survey data of individuals who applied for asylum in Germany between January 2013 and January 2016. In an initial analysis of this data, the Institute for Employment Research (*Institut für Arbeitsmarkt- und Berufsforschung*, IAB) in Nuremberg

Box 2

Data

The IAB-BAMF-SOEP survey of refugees is based on a random sample taken from the Central Alien Register (*Ausländerzentralregister*). The sample consists of individuals who migrated to Germany between January 1, 2013, and January 31, 2016, and submitted a formal asylum application to the Federal Office for Migration and Refugees (*Bundesamt für Migration und Flüchtlinge*, BAMF).¹ These data have been integrated into the Socio-Economic Panel (*Sozio-ökonomische Panel*, SOEP).² The sampling was a two-step process with 170 sample regions randomly selected in the first stage. The sample regions contained addresses of one or more foreigners' offices from which a random sample was drawn in the second stage. Certain subgroups, such as recognized refugees, women, and individuals who were over 30 during the sample drawing, were oversampled. This is taken into account by a corresponding weighting in the analyses.

In the first survey wave, data were collected via in-person interviews from June to December 2016. The selected individuals received an invitation to the interview in the mail. The survey was translated into a total of six languages (Arabic, Northern Kurdish, Farsi/Dari, Urdu, Pashto, and English) and conducted by trained interviewers. The response rate was 51 percent.

The present analyses include refugees who took part in the personal interview (4,424 respondents). Excluded were individuals who did not provide valid answers to the questions (570 individuals), respondents who did not arrive in Germany between 2013 and 2016 (116 individuals), and those who were not between 18 and 49 years of age in 2016 (352 individuals). The final sample for the analyses comprises 3,386 individuals.

¹ Cf. Martin Kroh et al., "Sampling, Nonresponse, and Integrated Weighting of the 2016 IAB-BAMF-SOEP Survey of Refugees (M3/M4) – Revised Version," *SOEP Survey Paper* 477 (2018) (available online).

² Cf. Jürgen Schupp et al., Socio-economic Panel (SOEP), data from 1984-2016 (in German; available online).

estimated the number of spouses and children of refugees in Germany who are living abroad.⁶ The result indicated a rather low number of potential family reunions, as many refugees were single, childless, or their spouse and children were already living in Germany.

This report describes in detail the family structures and family characteristics of refugees in Germany using the same database. Moreover, the report analyzes to what extent the familial situation is related to the well-being of those surveyed. The analysis is restricted to refugees between the ages

of 18 and 49 who moved to Germany between 2013 and 2016. With this age restriction, the analysis thus concentrates on adults who potentially have minor children. The analysis is based on the first survey wave of the IAB-BAMF-SOEP Survey of Refugees; further survey waves are currently not available for scientific analysis (Box 2).

Women more likely to have fled with family

The sample used in the analyses includes a high percentage of men (76 percent), who are mainly from Syria (46 percent) or other countries such as Afghanistan, Iraq, Iran, or Pakistan (28 percent) (Table 1). Therefore, it was primarily men who migrated to Germany in the age group surveyed. On average, sample respondents had lived in Germany for a little over a year at the time the survey was conducted. On average, male refugees were 27 years old upon arrival in Germany while female refugees were 30 years old. Men mostly migrated alone (53 percent) or with friends and acquaintances (15 percent) while the majority of women came to Germany with family⁷ (81 percent); only 32 percent of men came with family. At the time the survey was conducted, around 56 percent of respondents had a temporary residence permit (most either with their case still being processed or with temporary suspension of deportation status). Approximately half lived in private accommodations with the other half in shared accommodations, whereby a differentiation shows that the share of individuals in private accommodations was significantly higher among women (64 percent) than men (44 percent). Sixteen percent of women and eleven percent of men had an education qualification at tertiary level.⁸ At the time of the survey, fifteen percent of men and five percent of women in the age group analyzed were employed, completing training, or pursuing other educational opportunities such as language courses.

Female refugees have significantly more children with them than men

The family structure of the refugees in the age groups examined here differed significantly by gender. Women rarely migrated alone; rather, they generally made the journey with their family. Accordingly, the vast majority of the female refugees surveyed were married at the time of the survey while the majority of men were still single (Table 2). Differences in marital status were reflected in childlessness and the number of minor children. On average, female refugees had 1.6 minor children and men 0.7 at the time of the survey. The differences were smaller between married women and men (2.0 and 1.9 minor children, respectively). Since the sample here

⁷ Individuals from the sample were asked if they came to Germany alone, with family members, with friends or acquaintances, or others. Among those coming with family members, it cannot be further distinguished who exactly is considered a family member by the respondent.

⁸ To generate the variables on refugees' highest educational and vocational qualifications, information on both the years of school attendance and the type of school last attended were used. This allowed accounting for school interruptions, as detailed in Herbert Brücker, Nina Rother, and Jürgen Schupp, "IAB-BAMF-SOEP-Befragung von Geflüchteten 2016: Studiendesign, Feldergebnisse sowie Analysen zu schulischer wie beruflicher Qualifikation, Sprachkenntnissen sowie kognitiven Potenzialen," *DIW Politikberatung kompakt* no. 123 (2017) (in German; available online).

⁶ Cf. Herbert Brücker, "Familiennachzug: 150000 bis 180000 Ehepartner und Kinder von Geflüchteten mit Schutzstatus leben im Ausland" in *IAB Forum* (2017) (available online).

Table 1

Refugees in Germany - Selected characteristics of those who fled to Germany between 2013 and 2016

	Total	Men	Women
Female	24		
Country of origin*			
Syria	46	46	45
Afghanistan, Iraq, Iran, Pakistan	28	28	26
Subsaharan Africa	14	15	11
Others	12	10	18
Duration of stay (in years)	1,3	1.3	1.2
Age at immigration (in years)	28	27	30
Age at interview (in years)	29	28	31
Arrival			
Alone	43	53	13
Family	44	32	81
Friends or others	13	15	6
Residence status			
Recognized	44	45	43
Application pending	41	42	41
Other (toleration, deportation)	15	14	16
Private accommodation	49	44	64
Highest level of education			
None or primary education	38	37	39
Secondary education	50	51	45
Tertiary education	12	11	16
Employed or in training at interview	12	15	5
N	3,386	2,147	1,239

Notes: * Subsaharan Africa: Ethiopia, Burkina Faso, Eritrea, Gambia, Ghana, Guinea, Kamerun, Kenya, Congo, Mali, Nigeria, Niger, Uganda, Ruanda, Senegal, Sierra Leone, Somalia, Sudan, Tschad; Others: mostly (former) Jugoslawia and Russia.

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016).

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consists of individuals who recently migrated to Germany, it is not surprising that, so far, only a small share of children were born the year their parent(s) migrated or thereafter⁹ (see also Box 3).

Almost ten percent of refugees have minor children living abroad

The share of refugees who indicated they had a spouse still living abroad is overall low, at 12 percent (Table 2).¹⁰ In the majority of cases, the category "abroad" refers to the country of origin. In some rare instances, the spouse was living in a country other than the one of origin. Ten percent of all married women had their husband abroad. The share is significantly higher for married men, 38 percent of whom had spouses abroad.

Whether or not minor children were living abroad also depends greatly on the respondent's gender. Ten percent of men had children living abroad. When the figures are

⁹ The average number of children is somewhat higher (2.3) for individuals living in private accommodations than those living in shared accommodations.

¹⁰ See also Brückner, "IAB-BAMF-SOEP-Befragung von Geflüchteten 2016."

Table 2

Marital status and number of minor children

	Total	Men	Women
Spouse			
Single	54	64	21
Married	43	35	69
Divorced	3	1	7
Widowed	1	0	3
Average number of minor children: Whole sample			
All	0.9	0.7	1.6
Births abroad	0.8	0.6	1.3
Births in the year of migration or thereafter	0.2	0.1	0.3
Average number of minor children: Married persons			
All	1.9	1.9	2.0
Births abroad	1.6	1.6	1.6
Births in the year of migration or thereafter	0.3	0.3	0.3
Average number of minor children: Private accommodation			
All	2.3	2.4	2.3
Births abroad	2.0	2.0	1.9
Births in the year of migration or thereafter	0.4	0.4	0.4

Notes: *Minor children (under the age of 18 in 2016); respondents with more than eight children were not questioned with regards to the children's place of birth/year of birth.

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016).

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restricted to men with children, a third of fathers were living without their children. In other words, every third father of a minor child who has migrated to Germany was living in a different country than his child(ren) (and generally, in a different country than his spouse as well). In contrast, only five percent of all women and eight percent of all mothers were living in a different country than their child(ren).

African refugees most often have children living in their home country

To be able to make more differentiated statements about which factors were related to refugees being in Germany without their spouse or children, multivariate models which consider many characteristics simultaneously were estimated (Table 4).

As previous analyses have shown, it was primarily men who were separated from their children. However, there were differences between countries of origin. In particular, individuals from Sub-Saharan Africa reported more frequently than others that they had left at least one child in their country of origin or another country.

A similar pattern emerged for the chances that the spouse was still in the country of origin. Men who migrated to Germany had much more frequently left a spouse behind than women. Compared to Syrian refugees, refugees from Sub-Saharan Africa also reported more frequently that their spouse lived abroad.

There is no significant difference between refugees who arrived in Germany in 2013 or at a later time. It can therefore

Box 3

Indications and estimations on the refugees' final number of children

Statements about the sample respondents' final number of children cannot yet be made, as the respondents in the sample were on average only 30 years old at the time of the survey. In general, the total fertility rate in the refugees' countries of origin is higher

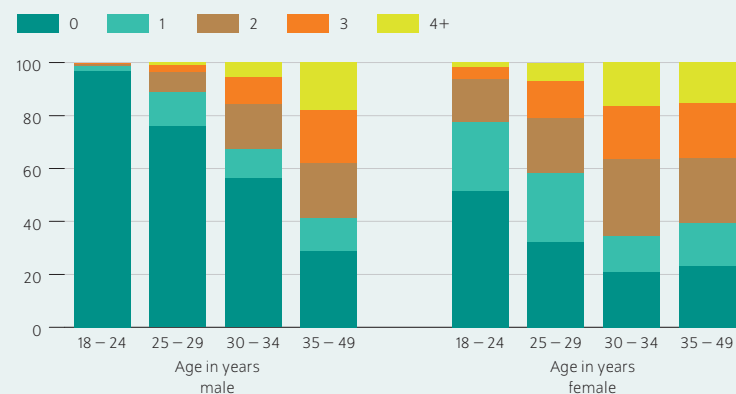
than the current German birth rate of 1.6 children,¹ so it can be assumed that the birth potential among the refugees is higher than among the local population. Conclusions on the fertility behavior of refugees based on the birth rates in the countries of origin can, however, only be drawn to a very limited extent since the refugees are a selective group. They differ, for example, in their educational structures and attitudes from individuals who remained in their country of origin. Moreover, there are large differences in the birth rates and birth trends between the individual countries of origin. While Syria, Iran, and Iraq have been recording a significant decline in their birth rates since the 1990s, the birth rate in Afghanistan is currently six children per woman, with only a slight downward trend according to UN estimates.

A closer look at the number of children reveals a large share of individuals with several children, especially in the older age groups (Figure). Around 37 percent of respondents between 35 and 49 years old have three or more minor children (no figure). The large differences in childlessness between younger men and women are striking. While approximately 97 percent of men aged 18 to 24 are still childless, only 51 percent of 18- to 24-year-old women are.

How the younger respondents' number of children will develop in the future depends—in the case of men in particular—on their chances of finding a partner. In the case of the small group of men who are already married, it is also important whether their spouses are already in Germany or, if not, if they can bring them to Germany.

1 Cf. Statistisches Bundesamt, *Die Statistik der Geburten* (in German; available online).

Figure

Distribution of the number of children by age
In percent

Note: Different from previous analysis all children, and not only minor children, are included in this figure.

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016).

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Many refugees, especially among the older ones, have more than one child.

be assumed that only a few people succeed in bringing their children over to Germany. This emphasizes both the difficulties of reuniting families in the new country, as repeatedly emphasized by the UNHCR and other organizations,¹¹ and the fact that successful family reunification often takes several years.¹²

The respondents' educational background did not seem to be related to whether or not their children lived abroad. Nor were there notable differences between refugees with and without a secure residence status.

Recognized refugees more often have family in Germany

At 41 percent, a large share of refugees had still their application pending at the time of the interview—therefore no information can be given about their status (Table 5). Forty-four percent of respondents were recognized refugees and 15 percent had either a temporary suspension of deportation status for humanitarian reasons or were awaiting deportation. Individuals with minor children or a spouse abroad are particularly seldom represented in the latter group (16 percent and 10 percent, respectively). However, it should also be noted that the information used in the analysis is from 2016. Since then, the proportion of asylum applications granted only subsidiary protection has risen sharply (Box 1). Against this background, it can be assumed that among those individuals whose application was still pending in 2016, a relatively large number received subsidiary protection and thus have limited opportunities to bring their family to Germany. Otherwise, there were no major differences in the family

11 Cf. for example UNHCR, *Refugee Family Reunification. UNHCR's Response to the European Commission Green Paper on the Right to Family Reunification of Third Country Nationals Living in the European Union Directive 2003/86/EC* (2012); Council of Europe Commissioner for Human Rights, *Realising the right to family reunification of refugees in Europe* (Strausbourg, 2017) (available online).

12 Cf. for example Council of Europe Commissioner for Human Rights, *Realising the right to family reunification of refugees in Europe*.

Table 3

Spouses and children: Family structure and location of residence
In percent

	Whole sample			Married persons		
	Total	Men	Women	Total	Men	Women
Residence of spouse						
No spouse	57	65	31	0	0	0
Spouse abroad	12	13	7	27	38	10
Spouse in Germany	31	21	62	73	62	90
Minor children						
No children	60	70	29	21	23	17
At least one child abroad	9	10	5	17	25	4
(All) children in Germany	30	20	65	62	51	79

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016).

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Table 4

Determinants of at least one child or a spouse living abroad
Logistic regression

	At least one child living abroad		Spouse living abroad	
Year of immigration (reference: 2013)				
2014	0.18	(0.49)	0.02	(0.39)
2015	0.54	(0.45)	0.40	(0.33)
2016	0.73	(0.70)	0.82	(0.44)
Gender (reference: male)				
Female	-2.06***	(0.26)	-1.80***	(0.18)
Highest level of education (reference: secondary)				
None or primary education	-0.20	(0.23)	-0.27	(0.19)
Tertiary education	0.36	(0.31)	-0.07	(0.25)
Country of origin (reference: Syria)				
Afghanistan, Iraq, Iran, Pakistan	0.01	(0.34)	-0.21	(0.26)
Subsaharan Africa	1.55***	(0.36)	0.98**	(0.36)
Others	-0.70	(0.52)	-1.51**	(0.55)
Residence status (reference: application pending, or others such as toleration, deportation)				
Recognized	0.11	(0.30)	0.06	(0.23)
Constant	-1.57**	(0.51)	-0.65	(0.37)
N	2,013		2,186	
Pseudo R ²	0.192		0.159	

Notes: The table displays the regression coefficients of a logistic regression and standard errors in brackets. Statistical significance* p<.05, ** p<.01, *** p<.001, controlled for federal states.

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016, only persons with children/spouse).

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structure according to protection status. It is noteworthy, however, that the shares of those who had family members in Germany were similarly high in the group of refugees with granted status and the group whose asylum applications were still being processed.

Extended family mostly lives abroad

The majority of refugees in Germany—around 94 percent—had siblings (Figure 1). On average, those with siblings had five brothers and/or sisters, most of whom lived abroad (around 86 percent). Only eight percent of cases had siblings who also lived in Germany. Similarly, refugees' parents

mostly lived abroad (74 percent of the mothers and 59 percent of the fathers). In addition, 59 percent of refugees in Germany had close contact with other relatives—on average 13 individuals, most of whom live abroad (52 percent, no table).

Female refugees have higher life satisfaction in Germany than male refugees

Migration research has amply shown the particularly important role that family plays for refugees. For those with migrant background, contact with the nuclear family (spouse and children) is often even more important than for individuals

Table 5

Protection status according to whereabouts of spouse and children
Percentage of rows and columns

	Application pending	Recognized	Others (toleration, deportation)	Total
Residence of spouse				
No spouse	44	41	15	100
	61	53	60	57
Spouse abroad	38	53	10	100
	11	14	8	12
Spouse in Germany	38	47	15	100
	28	33	33	31
Total	41	44	15	100
	100	100	100	100
Minor children				
No child(ren)	41	45	14	100
	60	61	59	60
At least one child abroad	40	44	16	100
	29	30	34	30
(All) children in Germany	47	41	12	100
	11	9	8	9
Total	41	44	15	100
	100	100	100	100

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016).

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without migrant background.¹³ Therefore, it is expected that individuals who have family already living in Germany will have higher well-being than refugees whose families are still living abroad.

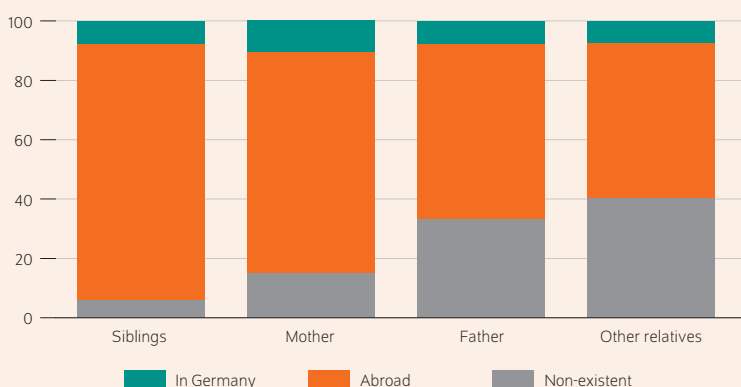
The well-being of refugees can be measured using the IAB-BAMF-SOEP survey on general life satisfaction. The survey uses a construct frequently utilized in international and national literature to record individuals' well-being and mental health.¹⁴ Satisfaction is rated on a scale of zero (absolutely not satisfied) to ten (completely satisfied). Refugees were also surveyed on their life satisfaction from before they migrated—however, this finding must be interpreted with caution as many people do not reliably assess their life satisfaction in retrospect.

In the context of family relationships, life satisfaction is not only important because it improves personal well-being but also because parental life satisfaction affects children's development:¹⁵ for example, the higher the mother's life satisfaction, the higher the socio-emotional stability of her children. An analysis of refugees' well-being must also be seen in relation to the experiences they have had—often traumatic ones as they migrated to Germany. After arriving in Germany, refugees are frequently faced with other potentially stressful situations that make it difficult to process their traumatic experiences: living in shared accommodations, uncertainty regarding the outcome of their asylum procedure and the future, discrimination and xenophobic threats, and problems with the German language.¹⁶

Yet it turns out that refugees were rather satisfied with their current life situation. The average value (on a scale of zero to ten) was 6.9 (Figure 2).¹⁷ Respondents retrospectively rated their life satisfaction from before the crisis, war, or conflict in their country of origin lower on average (6.3). Women were more satisfied with their lives than men—especially in the present (7.2 and 6.8) but also before the crisis, war, or conflict (6.5 and 6.2). A more differentiated analysis shows that in the high satisfaction range particularly (completely satisfied), the proportion of women was higher than the proportion of men at 21 percent (compared to 18 percent). However, this also applies to the share of those completely dissatisfied (Figure 3).

Figure 1

Location of residence of other relatives



Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey date 2016).

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When refugees have siblings, in most cases these live abroad.

¹³ Cf. for example Wissenschaftlicher Beirat für Familienfragen beim Bundesministerium für Familien, Senioren, Frauen und Jugend, *Migration und Familie. Kindheit mit Zuwanderungshintergrund*.

¹⁴ For more on measuring life satisfaction in the SOEP, cf. for example Frank Fujita and Ed Diener, "Life satisfaction set point: Stability and change," *Journal of Personality and Social Psychology* 88 (2005): 158-164 and Martin Kroh, "An experimental evaluation of popular well-being measures," *DIW Discussion Papers* no. 546 (available online).

¹⁵ Cf. for example Eva Berger and C. Katharina Spieß, "Maternal life satisfaction and child outcomes: are they related?" *Journal of Economic Psychology* 31 (2011): 142-158.

¹⁶ Cf. for example Wissenschaftlicher Beirat für Familienfragen beim Bundesministerium für Familien, Senioren, Frauen und Jugend, *Migration und Familie. Kindheit mit Zuwanderungshintergrund*.

¹⁷ An analysis based on the SOEP data from the 2013 survey year, which are not included in the IAB-BAMF-SOEP sample, shows that both individuals without a migration background and migrants and their descendants indicate an average life satisfaction value of between 7.4 and 7.5, cf. Ingrid Tucci, Philipp Eisenecker, and Herbert Brückner, "Wie zufrieden sind Migranten mit ihrem Leben?" *DIW Wochenbericht* no. 43 (2014): 1152-1158 (in German; available online). However, this study takes into account the fact that the values in the SOEP survey are queried annually, which can lead to distortions, making the two values not fully comparable.

Refugees with minor children abroad have significantly lower life satisfaction

The current level of life satisfaction differed depending on family structure and the location of family members. Refugees whose family members lived in Germany had higher life satisfaction (Figure 4). The difference in average life satisfaction between refugees with children in Germany (7.5) and children abroad (5.8) was very pronounced. The 5.8 rating by parents with children abroad was the lowest measured in this analysis. Life satisfaction was lower if siblings or parents lived abroad compared to if they lived in Germany, but the absolute values were not quite as low and differences in satisfaction not quite as large.

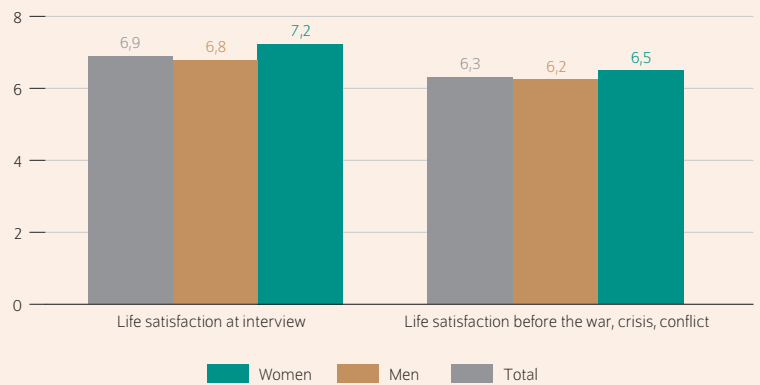
Gender differences in life satisfaction are mainly due to differences in the family situation

As many other studies have shown, life satisfaction correlates with numerous other characteristics. A further analysis examines which factors these are. Regression models show that there are no differences according to the year in which the individuals migrated to Germany (Table 6, all models). It is notable that the difference in life satisfaction between the genders (Model 1) disappeared as soon as the existence and location of the nuclear family were accounted for (Model 2). Refugees who migrated at a young age were generally more satisfied with their lives than those who migrated when older. The country of origin also influenced life satisfaction. Refugees from Sub-Saharan African countries had the highest levels of satisfaction whereas Syrian refugees were relatively unsatisfied. Recognized refugees were by far the most satisfied. Additionally, refugees living in private accommodations and those who had already found a job or

Figure 2

Life satisfaction - at interview as well as before the war, crisis or conflict

On a scale from 0 (entirely satisfied) to 10 (entirely unsatisfied)



Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey date 2016).

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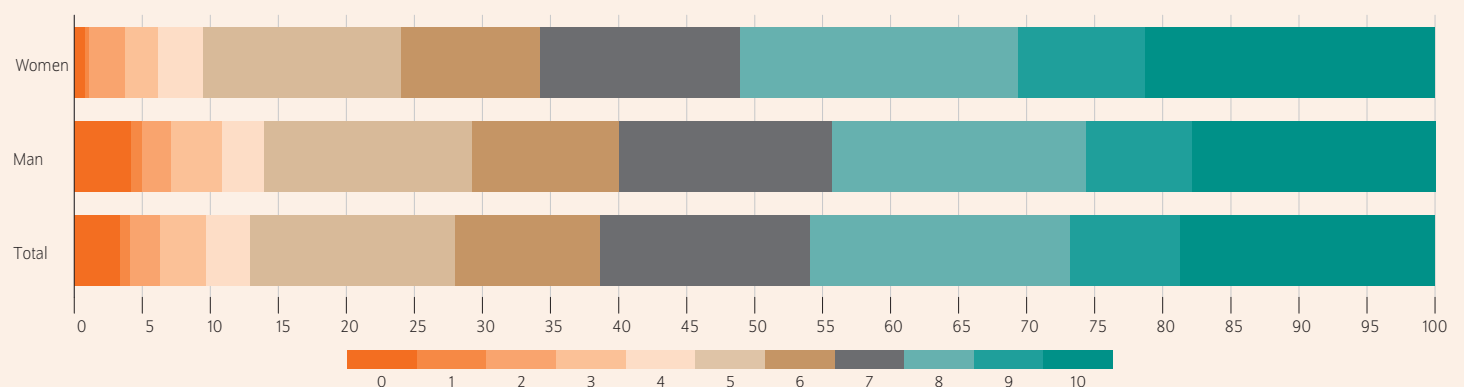
Refugees are more satisfied in Germany than they were in their country of origin before the war or crisis that caused them to flee.

apprenticeship training position were generally much more satisfied with their lives than refugees in shared accommodations or without a job or apprenticeship. As other studies on life satisfaction have shown, satisfaction decreases with higher education. If individuals were already more satisfied than others before their migration to Germany, this remained the case after arriving.

Figure 3

Distribution of refugees' life satisfaction at the time of the interview

Shares in percent, values on a scale from 0 (entirely satisfied) to 10 (entirely unsatisfied)



SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016).

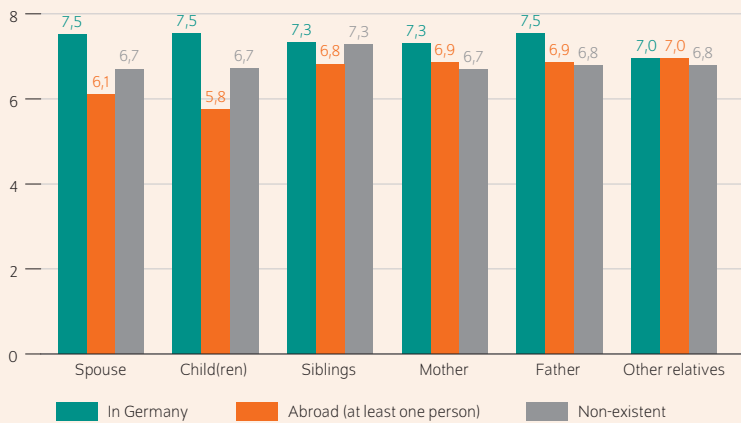
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Women are more satisfied if one focuses on the higher scores of life satisfaction.

Figure 4

Life satisfaction of refugees in Germany: Family structure and location of residence

Scale from 0 (entirely satisfied) to 10 (entirely unsatisfied)



Notes: Life satisfaction is measured by a 11-point Likert scale (0=completely dissatisfied until 10= completely satisfied).

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 (survey year 2016).

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Refugees whose child or children live abroad are the least satisfied.

In relation to the family situation (Model 2), the result described in the less complex analyses is also confirmed here: individuals whose spouse lived in Germany were much more satisfied than individuals whose spouse lived abroad. If at least one child was living abroad, life satisfaction dropped by almost one point, the largest drop in satisfaction among all characteristics. In particular, having

one or all children abroad substantially and statistically reduced refugees' well-being. The above findings remained valid even if the locations of other family members were considered (Model 3). However, there was no difference in life satisfaction depending on the country in which family members live.

Conclusion

This report examined the family structure of 18- to 49-year-old refugees who migrated to Germany. The analysis showed that women in particular migrated to Germany together with their family (spouses and children). Nine percent of all refugees had minor children living abroad. A significantly large share of refugees left parents and/or siblings behind in their home country.

Whether or not refugees' spouses or children are living in Germany appeared of central importance for refugees' well-being. If their family was with them in Germany, they were substantially and statistically significantly more satisfied with their lives. Being separated from the nuclear family is thus demonstrably associated with greater dissatisfaction for many refugees. This in turn can be detrimental to, for example, their integration into the new society and labor market as well as participation in public life.

Policies regarding family reunification should take this information into account. Refugees living in Germany should be supported in a variety of ways so they can successfully integrate without their (missing) family hampering this process. Refugees and their families need support measures that are easy to achieve; such measures are to be found in the realms of family policy and many other policy fields, especially migration and integration policy.

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JEL: H31, I31, J12

Keywords: Refugees, family structure, family reunification, children, well-being

FAMILY STRUCTURES AND WELL-BEING OF REFUGEES

Table 6

Determinants of current life satisfaction

OLS regression

	Model 1		Model 2		Model 3	
Year of immigration (reference: 2013)						
2014	-0.21	(0.15)	-0.24	(0.14)	-0.25	(0.14)
2015	-0.15	(0.14)	-0.11	(0.14)	-0.10	(0.14)
2016	-0.18	(0.27)	-0.13	(0.26)	-0.13	(0.26)
Female (reference: male)	0.24**	(0.08)	0.01	(0.08)	-0.01	(0.08)
Age at immigration	-0.01*	(0.01)	-0.04***	(0.01)	-0.04***	(0.01)
Country of origin (reference: Syria)						
Afghanistan, Iraq, Iran, Pakistan	0.38**	(0.12)	0.35**	(0.12)	0.35**	(0.12)
Subsaharan Africa	0.22	(0.17)	0.46**	(0.17)	0.51**	(0.17)
Others	0.62***	(0.16)	0.50**	(0.16)	0.49**	(0.16)
Residence status (reference: recognized)						
Application pending	-0.52***	(0.11)	-0.53***	(0.11)	-0.53***	(0.11)
Others (toleration, deportation)	-0.53***	(0.15)	-0.54***	(0.14)	-0.55***	(0.15)
Private accommodation	0.79***	(0.11)	0.58***	(0.11)	0.55***	(0.11)
Employed or in training at the moment	0.27*	(0.13)	0.37**	(0.13)	0.37**	(0.13)
Highest level of education (reference: none/primary)						
Secondary	-0.28**	(0.09)	-0.19*	(0.09)	-0.18*	(0.09)
Tertiary	-0.60***	(0.13)	-0.46***	(0.13)	-0.45***	(0.13)
Life satisfaction before crisis/war/conflict		(0.02)	0.05**	(0.02)	0.05**	(0.02)
Spouse (reference: in Germany)						
Single			-0.50***	(0.14)	-0.53***	(0.14)
Abroad			-0.48*	(0.20)	-0.48*	(0.20)
Number of children			0.11**	(0.03)	0.11**	(0.03)
Children (reference: children in Germany)						
No child(ren)			-0.15	(0.16)	-0.16	(0.17)
At least one child abroad			-1.11***	(0.26)	-1.11***	(0.26)
Siblings (reference: in Germany)						
Non-existent					-0.02	(0.23)
Abroad					-0.10	(0.16)
Mother (reference: in Germany)						
Deceased					-0.01	(0.18)
Abroad					-0.15	(0.16)
Father (reference: in Germany)						
Deceased					-0.11	(0.18)
Abroad					0.00	(0.19)
Other relatives (reference: in Germany)						
Non-existent					0.08	(0.16)
Abroad					0.03	(0.16)
Constant	7.18***	(0.28)	8.24***	(0.32)	8.38***	(0.36)
N	3,386		3,386		3,386	
R ²	0.068		0.103		0.105	

Notes: The Table displays the regression coefficients of an OLS-regression, clustered standard errors for households are in brackets. Statistical significance* p<.05, ** p<.01, *** p<.001, controlled for federal states.

Source: SOEP, v33.1 - Refugees between the ages of 18 and 49 years (survey year 2016)