Social and Demographic Consequences of Unilateral Divorce Law

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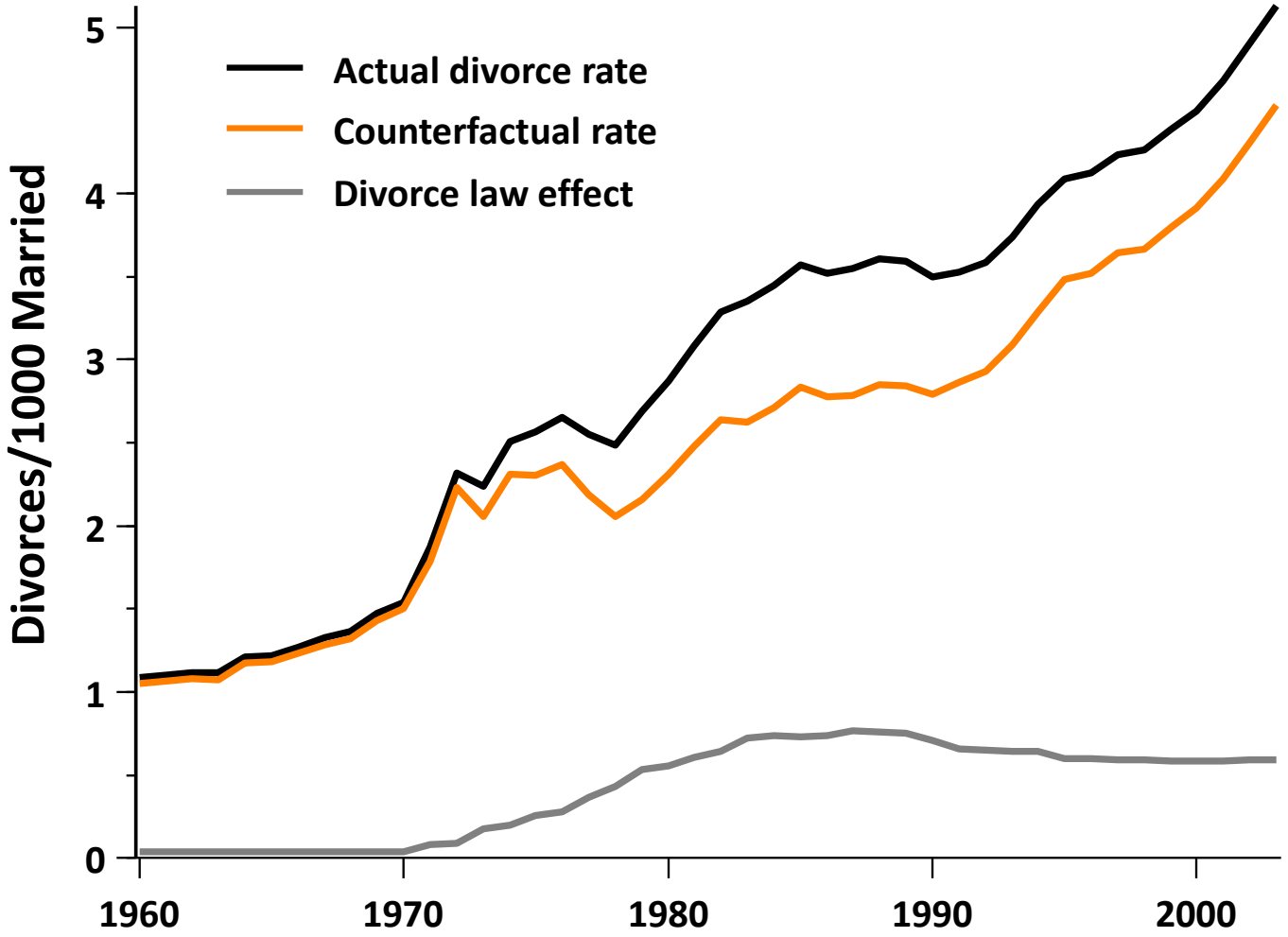
Motivation

- Persistent increase in divorce rates in Europe since about 1970s
- Family law is part of the social environment in which family processes are embedded
- Only few empirical sociological studies
- Only little evidence other than from the U.S.A.
- Largely based on aggregate data

Motivation



Source: Eurostat; EU-15 + CH, IS, NO; own calculations (c.f. Kneip & Bauer 2009)

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- Largely based on aggregate data
- Different micro mechanisms might mediate the effect
  - Selection into population at risk
  - Changes in investment behavior

Summary of findings

- The introduction of the possibility to unilaterally divorce has increased the risk of divorce
  - … for couples who got married before the reform;
  - … for couples who have married under unilateral divorce law (the effect is offset by a changed selection into marriage with respect to match quality);
  - … for parents.
- Beyond this, the introduction of unilateral divorce law has
  - … contributed to an increase in the age of marriage;
  - … contributed to an increase in female labor force participation;
  - … contributed to a decline in (marital) fertility;
  - … long-term negative consequences for children who grew up under unilateral divorce law (beyond an effect of parental divorce).

Theoretical background I

- "Naive" view:
  - P(divorce) ↑ when divorce gets easier
- Sociological view:
  - P(divorce) ↑ when norms allow for dissolution in pursuit of *individual* happiness (e.g. Roussel 1980)
- Family Economics (Becker 1981):
  - Switch to unilateral divorce → shift in property rights
  - No effect on divorce under Coasian bargaining
- Why Coasian bargaining might fail:
  - Transaction costs (e.g. Stevenson & Wolfers 2006)
  - Marital assets as collective goods (e.g. Zelder 1993; Chiappori et al. 2007)

- Empirical evidence for unilateral law effect is usually interpreted as non-applicability of the Coase Theorem

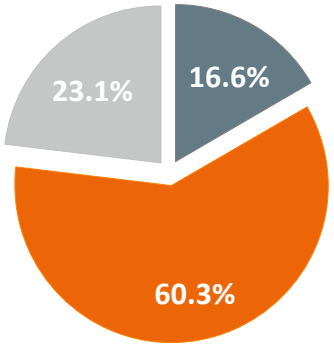
Theoretical background II

- Unilateral divorce laws may affect
  - Selection into marriage (with respect to match quality)
    - Lower match quality due to reduced exit costs
      - Raise in marriage rates (Alesina & Giuliano 2007)
    - Higher match quality due to reduces marital gains
      - Decrease in marriage rates (Rasul 2003)
  - Investments in outside options (e.g. FLFP)
    - Due to lack of compensation for reduced human capital (Parkman 1992)
  - Marital specific investments (e.g. children)
    - Due to time constraints at given labor supply
- Match quality and specific investments affect marital stability

Data

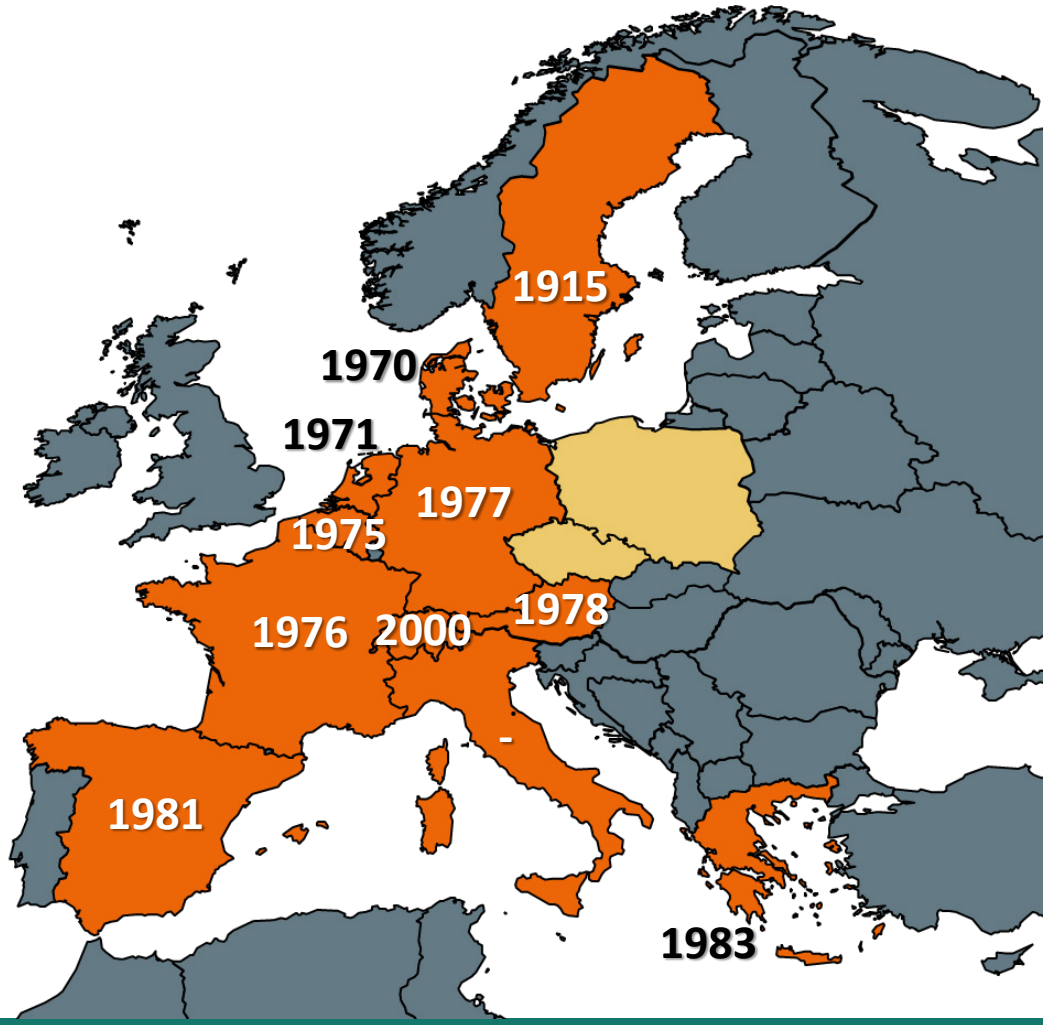
SHARELIFE

- Retrospective biographic information (marriages, births, employment histories, divorces)
- Variation in the *timing* of introducing unilateral divorce
- Suitable sample composition:



n ≈ 20.000

Divorce regime over course of marriage:
- always mutual consent
- consensual/unilateral
- always unilateral



Method

Country-specific trends

Estimation model:

$$\mathbf{h(t) = h_0(t) \cdot exp}\left(\alpha\mathbf{uni} + \sum \beta\mathbf{c} + \sum \gamma\mathbf{yob} + \sum \delta(\mathbf{c \cdot yob}) + \sum \zeta(\mathbf{c \cdot yob^2}) + \sum \eta\mathbf{x}\right)$$

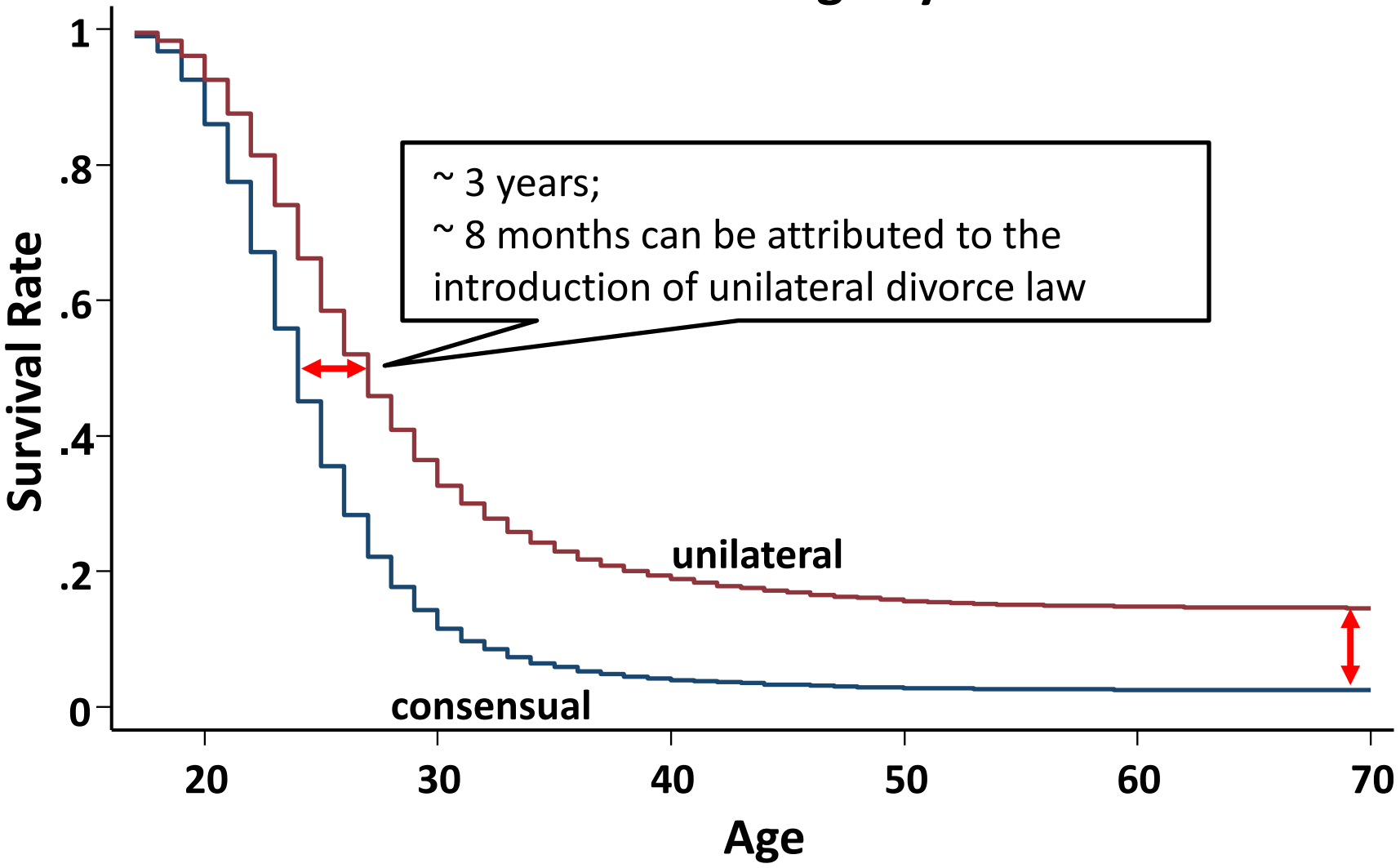
uni: unilateral divorce law

c: country fixed effects

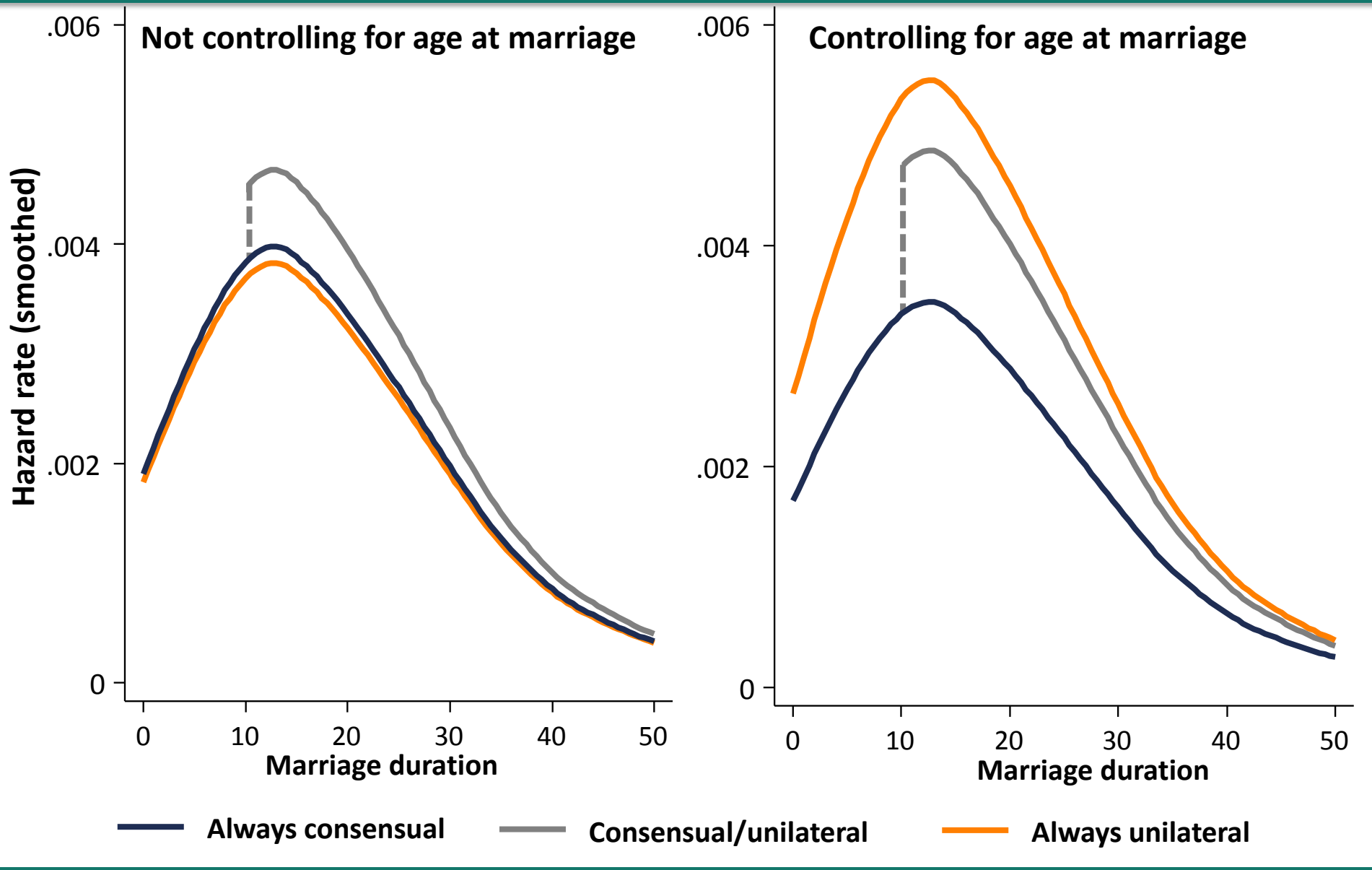
yob: cohort fixed effects

x: individual characteristics

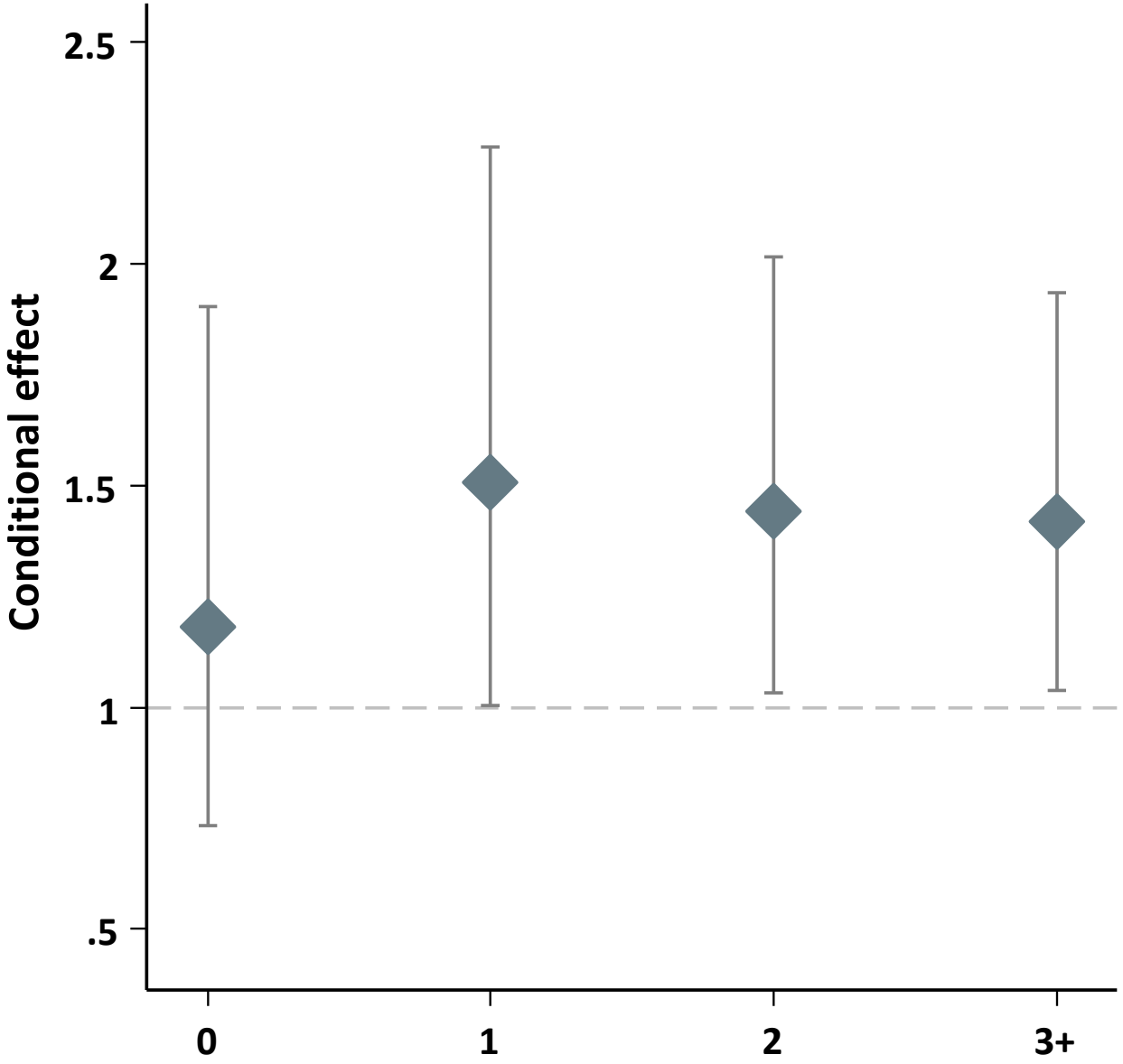
The transition to marriage by divorce law



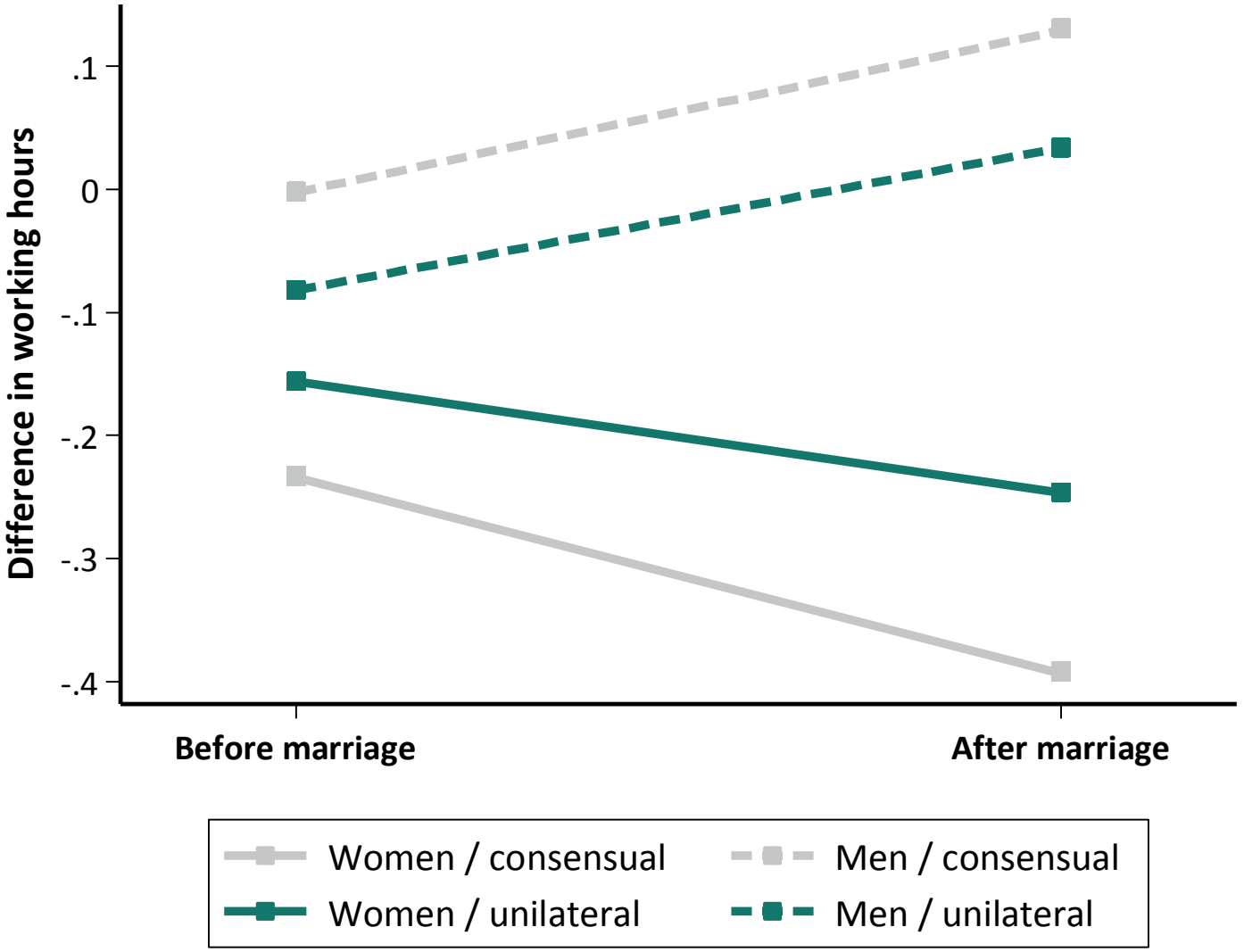
Divorce


Not controlling for age at marriage
Controlling for age at marriage
Hazard rate (smoothed)
.006
.004
.002
0
0
10
20
30
40
50
Marriage duration
Always consensual
Consensual/unilateral
Always unilateral

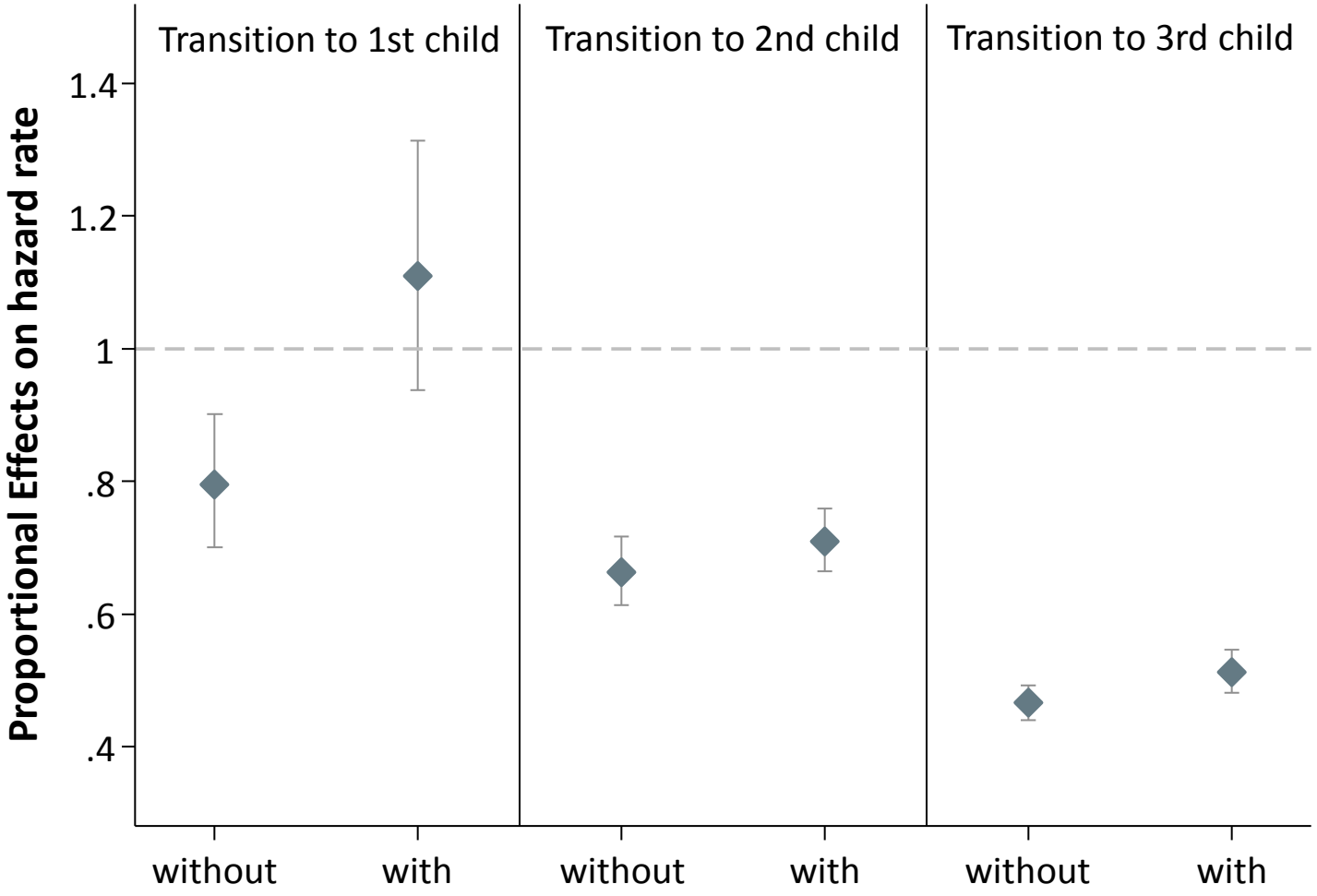
Divorce law effect by number of kids



Labor force participation



Fertility



Transitions to 1st, 2nd, and 3rd child
with and without controlling for age at marriage

Long-term effects on children?

	Education		Marriage		Parenthood		Smoking		Overweight		Depression	
UDL	(-)	(-)	-	-	-	-	+	+	(+)	(+)	0	0
Parental marriage intact		+		0		0		-		(-)		-

Summary & discussion

- The introduction of unilateral divorce had far-reaching consequences for marital interaction and, as a consequence, of demographic processes.
- The applicability of Coase's theorem seems reasonable in the absence of children.
- The presented findings point to the complexity of familial action against the background of structural conditions, partly prescribed by policy, and the need for a careful analysis of the (unintended) consequences of policy instruments prior to their introduction.

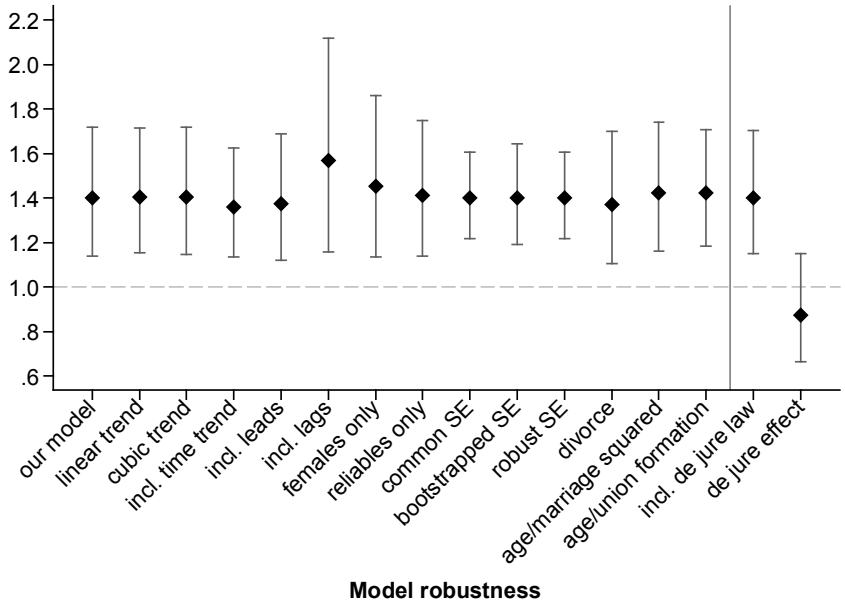
Publications

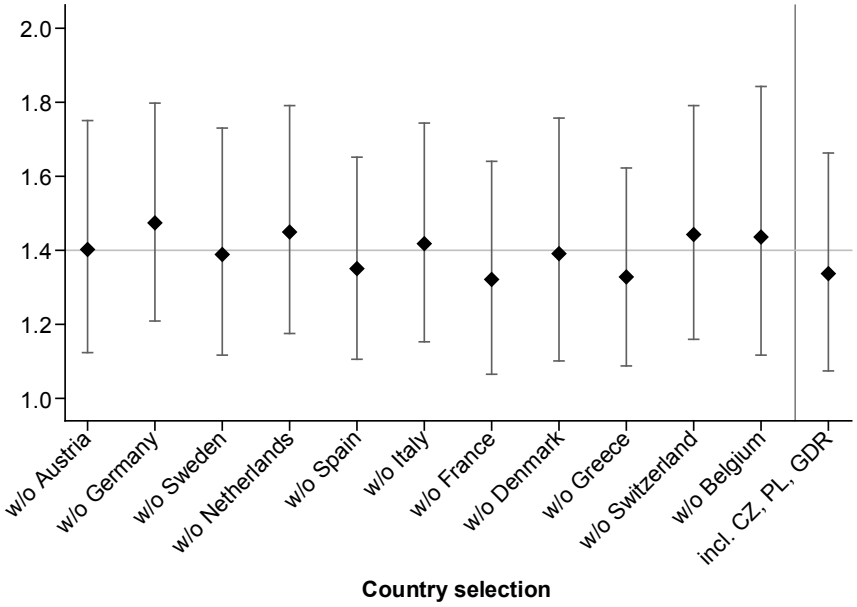
- Kneip T & Bauer G (2009) Did Unilateral Divorce Laws Raise Divorce Rates in Western Europe? *Journal of Marriage and Family* 71 (3), 592-607.
- Reinhold S, Kneip T & Bauer G (2013) The Long Run Consequences of Unilateral Divorce Laws on Children – Evidence from SHARELIFE. In: *Journal of Population Economics* 26 (3), 1035-1056.
- Kneip T, Bauer G & Reinhold S (2014) Direct and Indirect Effects of Unilateral Divorce Law on Marital Stability. *Demography* 51 (6), 2103-2126.

THANK YOU!

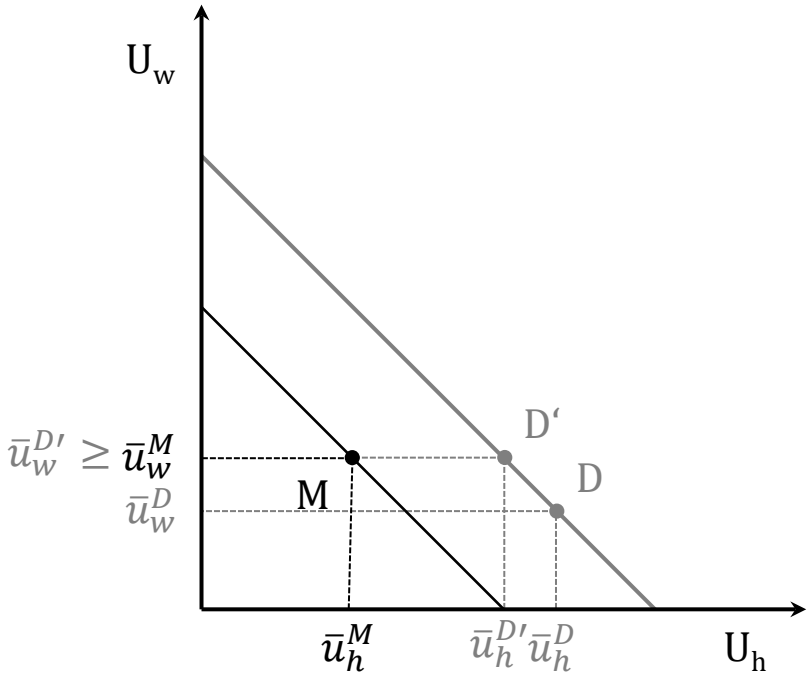
BACKUP

Robustness


2.2
2.0
1.8
1.6
1.4
1.2
1.0
.8
.6
our model
linear trend
cubic trend
incl. time trend
incl. leads
incl. lags
females only
reliables only
common SE
bootstrapped SE
robust SE
divorce
age/marriage squared
age/union formation
incl. de jure law
de jure effect
Model robustness


2.0
1.8
1.6
1.4
1.2
1.0
w/o Austria
w/o Germany
w/o Sweden
w/o Netherlands
w/o Spain
w/o Italy
w/o France
w/o Denmark
w/o Greece
w/o Switzerland
w/o Belgium
incl. CZ, PL, GDR
Country selection

Bargaining over divorce



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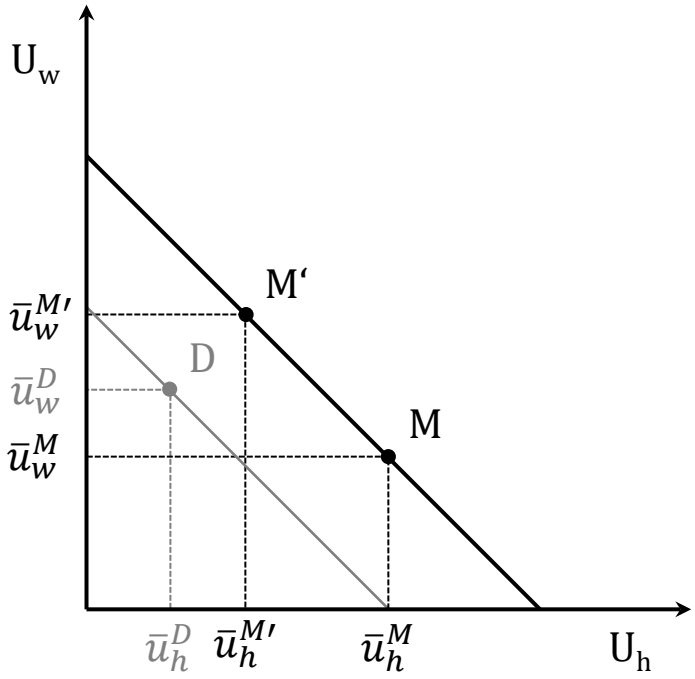

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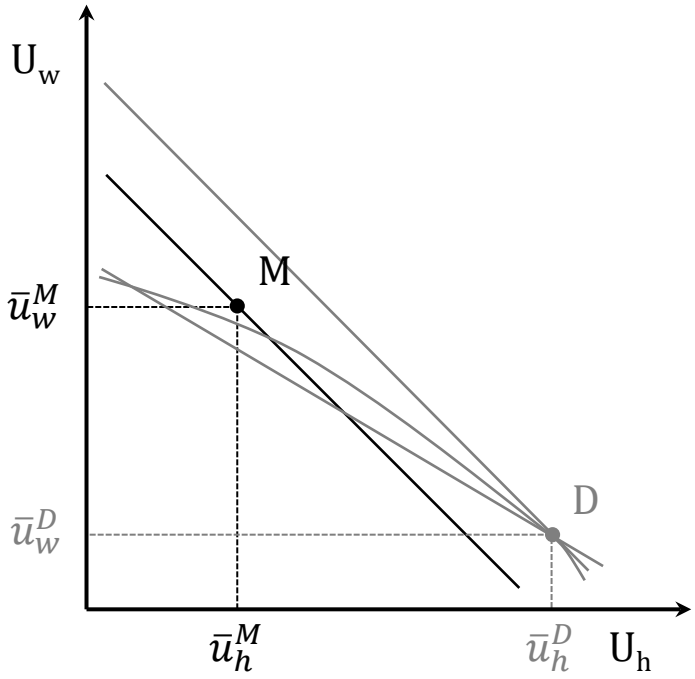
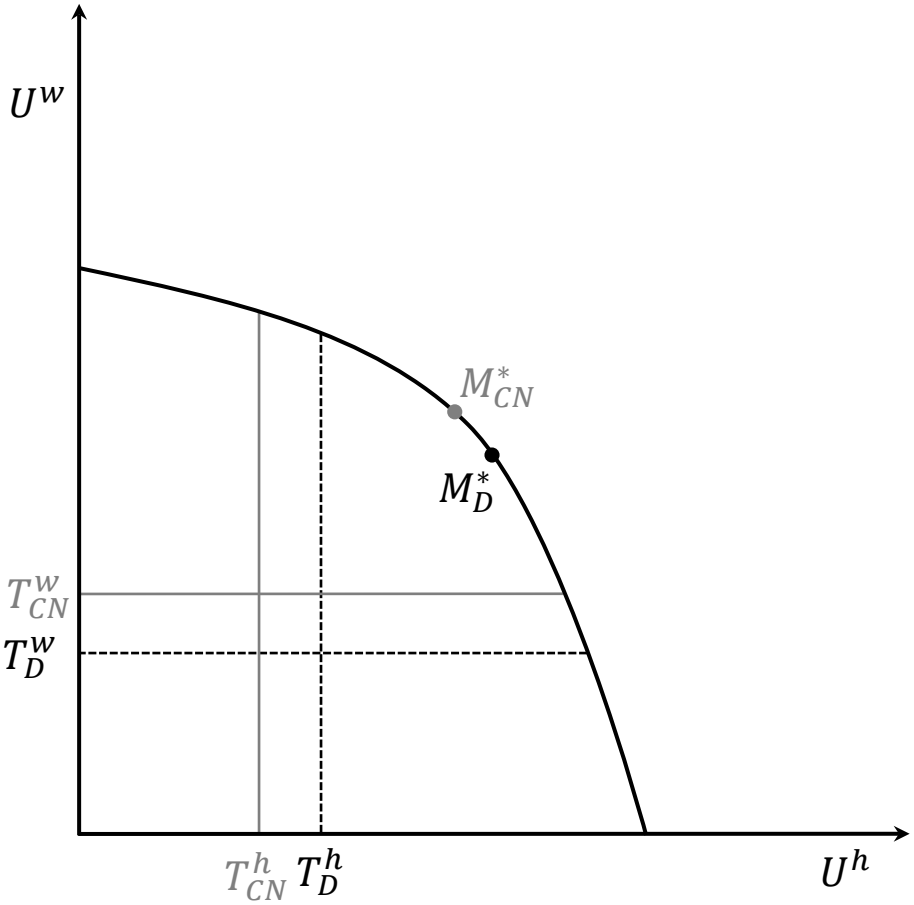
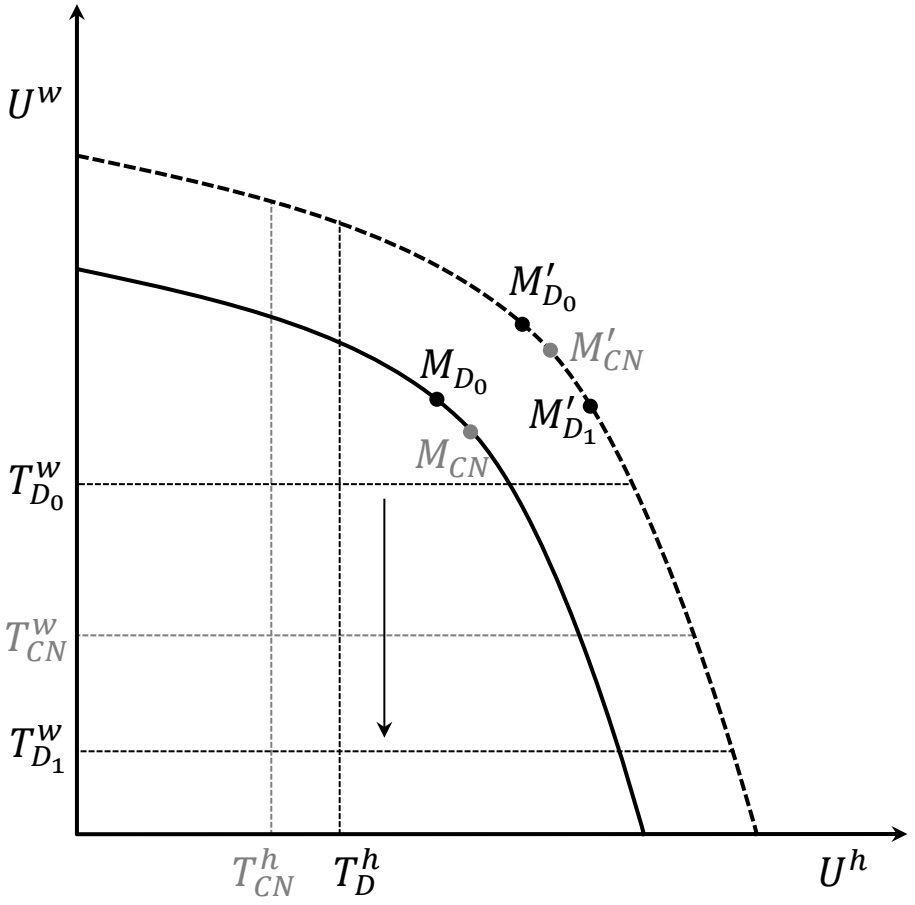


Bargaining within marriage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