



# The divorce revolution and generalized trust: Evidence from the United States 1973–2010



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## ABSTRACT

This paper examines the effect of exposure to a culture of easier divorce as a minor on generalized trust using the General Social Survey from 1973 to 2010. The easier divorce culture is defined as the introduction of no-fault including unilateral divorce reforms across the US. According to the results, the divorce revolution seems to have had some effect on trust levels across the US. While there are no discernible effects for the whole sample of men, there are statistically significant effects for women with an additional year of exposure being associated with a 4 percentage point lower generalized trust in the states with easy divorce culture compared to states with fault based divorce culture. An analysis by subgroup of women indicates that married and divorced/separated women have significantly lower levels of trust associated with exposure to easy divorce culture as a child. The findings are in agreement with the predictions of previous literature regarding no-fault divorce reforms reducing the security offered by marriage, in particular for women.

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## 1. Introduction

Marriage is a union between spouses who are given by law specific rights and duties resulting from that relationship. The divorce revolution<sup>1</sup> from the 1960s onwards has changed the enforcement of these agreements between the spouses. Brinig and Crafton (1994, p. 872) hypothesize that as a result of easier divorce there are “fewer marriages ex ante, fewer children (born later, after a longer trial period), more investment in individual careers rather than in the marriage, more divorces, and, ex post, more breaches by spouses in positions to behave opportunistically.” Opportunistic behavior by spouses effectively undermines “the trust-enhancing function of marriage as an institution” (Rowthorn, 1999, p. 682) and thereby “corrodes the social fabric of trust” (Rowthorn, 1999, p. 682). This paper provides an empirical examination of whether the easy divorce culture has affected trust by examining the effect of the law changes that epitomize the divorce revolution on generalized trust. The findings indicate that the divorce revolution has

indeed influenced the level of generalized trust in the American society.

The traditional legal marriage divided the rights and responsibilities of husbands and wives on the basis of gender where the “woman was to devote herself to being a wife, homemaker, and mother in return for her husband’s promise of lifelong support” (Weitzman, 1985, p. 2). Traditional legal marriage assumed that “the spouses are engaged in a joint enterprise, were responsible for each other, and would share the fruits of their united endeavors” (Weitzman, 1985, pp. 4–5). Marital contract lowers the transaction costs of enforcing agreements in marriage and allows the partners to invest in the relationship with a lower risk of the partner renegeing on agreements (such as sexual fidelity and raising children) that have been made (Pollak, 1985). Indeed Cherlin (2004) suggests that the difference between marriage and a de facto relationship is that the major benefit of marriage is the so-called enforceable trust. As a result of a marital contract the spouses can have more confidence that their investments in the marriage will be recouped. Some of potential investments in marriage include the division of household responsibilities (paid work versus household work), a large up-front investment in a house and other instances of increasing returns to scale.

Traditionally the aim of divorce laws was to “preserve marriage as a lifelong union [with divorce] restricted to situations in which one party committed a serious marital offense such as adultery, cruelty, or desertion, giving the other party the legal basis or *ground* for the divorce” (Weitzman, 1985, p.7). The earliest divorce laws

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<sup>1</sup> The shift from mutual consent divorce laws to no-fault including unilateral divorce laws is from here onwards referred to as easier divorce or the divorce revolution.

defined fault-based grounds for divorce which effectively identified an “innocent” and a “guilty” party to the divorce with divorce being granted to the “innocent” party. Requiring grounds for divorce gave the “innocent” party a great deal of power over the “guilty” party as the spouse who wanted a divorce had to persuade the “innocent” partner to cooperate. The divorce revolution changed the terms of the contract to favor the “guilty” party that is the spouse who wishes to break their marital vows (Becker, 1981; Becker et al., 1977).

The major law changes contained in the divorce revolution compared to the traditional divorce law include not needing to prove fault or guilt to obtain a divorce. Furthermore, financial awards were no longer linked to fault but instead they were based on current financial needs and resources. The divorce revolution also changed the standards for alimony and property awards seeking to treat men and women more equally compared to the gender-based assumptions of the traditional law. The no-fault divorce revolution effectively changed the terms of the moral and legal contract between spouses to abolish any “compensation” (such as a monetary payment or a public humiliation) for violating the terms of the contract. Effectively, under the new legislation there no longer were any penalties for adultery and no rewards for fidelity.

The changes in the divorce laws have undermined the value of marriage as an institution and hence it can reasonably be expected that marriage rates would have decreased as a result. In fact Rasul (2003) finds that following the introduction of unilateral divorce laws, marriage rates declined significantly and permanently in the adopting US states. He finds that the decline in the marriage rate caused by unilateral divorce law accounts for 3.6% of the overall decline in the marriage rate. In a subsequent theoretical paper, he further distinguishes the following effects of divorce laws on marriage: (1) a direct pipeline effect on the stock of married couples at the time of the law change and (2) a selection effect whereas the couples that decide to marry might become better matched than those previously married under the mutual consent divorce laws (Rasul, 2006). If one then considers a move from mutual consent to no-fault divorce laws, the effect on the long run divorce rate is ambiguous as the selection effect may offset the pipeline effect.

Empirical evidence of the effect of the move from mutual consent to unilateral divorce laws indicates that, although there are strong short-term effects (Friedberg, 1998<sup>2</sup>; Peters, 1986, 1992; Allen, 1992), divorce laws do not affect the divorce rate in the long run (Wolfers, 2006; Gonzalez and Viitanen, 2009). These empirical findings could well be explained by the selection versus pipeline effect with fewer people entering a formal marital contract and instead opting for the increasingly common de facto relationship.

Given that social capital including trust is found to have a significant payoff (Knack and Keefer, 1997; La Porta et al., 1997; Berggren and Jordahl, 2006; Bjornskov, 2006; Stevenson and Wolfers, 2011), it is of interest to examine whether the country’s legal framework has undermined the institution of marriage, in terms of trust. It has been found that parental divorce is associated with lower levels of trust in parents and future intimate partners (Franklin et al., 1990; King, 2002) as well as on own levels of generalized trust (Viitanen, 2014). Rowthorn (1999) argues that “many of the legal and social reforms which have been implemented in modern times have undermined the ability of marriage to perform its basic role as a trust-creating institution” (p. 662). This summarizes the role of this paper in examining a potential association between divorce laws and trust.

## 2. Method

### 2.1. Data

The analysis of the effect of exposure to a culture of easier divorce on trust is conducted using the General Social Survey (GSS) Sensitive Data Files from 1973 to 2010 for the US (Smith et al., 2011). The GSS is a nationally representative cross-sectional survey of approximately 1500 randomly selected individuals every year from 1973 through 1993 (excluding 1974, 1977, 1979, 1981, 1982, 1985 and 1992) and every second year from 1994 through 2010, with extensive information on individual socio-economic characteristics and attitudes. The total sample includes 55,087 individual observations. I exclude 197 observations for which age is missing, 18,847 observations for which an answer to the generalized trust question is missing, 7 observations for which marital status information is missing, 4 observations for which work status information is missing and 86 observations for which education status is missing. This leaves a sample of 35,946 individuals of which 19,937 are women and 16,009 are men. Further, since the identification of the effect of divorce laws on generalized trust relies on the state of residence I have restricted the sample to include only those individuals who are currently residing in the same state as when they were a minor. This reduces the sample to 22,590 individual observations of which 12,622 are women and 9968 are men.

The GSS has been widely used to study trust as it consistently asked the following question: “Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?” Possible answers are “most people can be trusted”, “you can’t be too careful” or “it depends”. I aggregate the last two categories (“you can’t be too careful” or “it depends”) to take the value of 0 and define trust as a dichotomous variable taking value 1 if the individual is trusting.

Glaeser et al. (2000) were the first to criticize the use of survey trust questions as they do not correlate with trusting behavior in the lab. While the findings of little correlation between survey and experimentally inferred trust have been replicated (Ermiş et al., 2009, for example) others have indeed found a strong correlation between survey and experimental evidence (Bellemare and Kröger, 2007). The correlation between survey and lab evidence may not be strong since experiments typically rely on small non-representative populations and specific trust measures, while survey scales relying on only one item are likely to be unstable.

Alesina and La Ferrara (2002) further justifies the use of the GSS question with the literal interpretation of the wording namely whether others can be trusted in general. They further criticize the Glaeser et al. study by noting that “. . . a behavior denoting low trust may not always be perfectly distinguished from behavior denoting high risk aversion” (p. 213, footnote 9). With those caveats in mind, I proceed to exploring the relationship between trust and divorce laws.

### 2.2. Analytic strategy

The following Ordinary Least Squares linear probability model<sup>3</sup> is fitted to the GSS state-level panel data to assess the impact of an easier divorce culture as a minor<sup>4</sup> on generalized trust at the individual level:

$$Y_{ist} = \alpha + \beta_1 EXPOSED_s + \beta_2 X_i + \mu_s + \delta_t + \mu_s \times \delta_t + \varepsilon_{ist} \quad (1)$$

<sup>2</sup> Friedberg (1998) found significant permanent effects of unilateral divorce law on divorce rates; however, the result was revised by Wolfers (2006) who found merely a transitory effect on the divorce rate.

<sup>3</sup> The probit results are available from the author upon request. The probit marginal effects are nearly identical to the results reported using the linear probability model.

<sup>4</sup> Throughout the paper minor refers to a person under the age of 18.

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