



Divorce laws and fertility[☆]

Héctor Bellido, Miriam Marcén^{*}

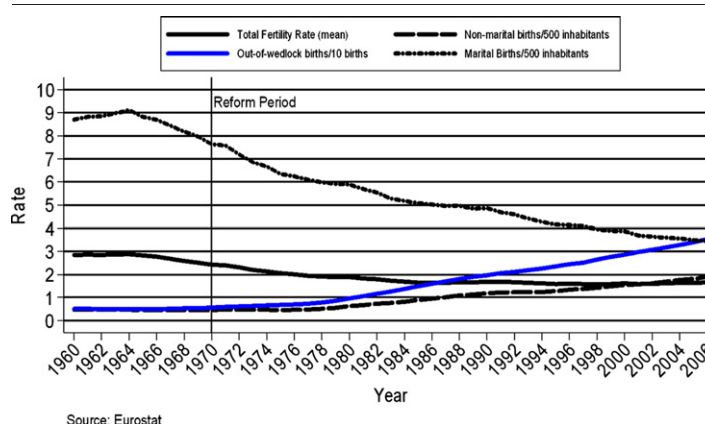
Facultad de Economía y Empresa, Universidad de Zaragoza, Zaragoza, Spain



HIGHLIGHTS

- This paper explores the effect of divorce law reform on fertility.
- We use the legislative history of divorce liberalization across Europe.
- We observe that divorce law reforms have a negative and permanent effect on fertility.
- We find that both marital and out-of-wedlock fertility declines.
- Results point to a selection effect on the composition of marriages.

GRAPHICAL ABSTRACT



ARTICLE INFO

Article history:

Received 2 April 2012

Received in revised form 20 January 2014

Accepted 26 January 2014

Available online 13 February 2014

JEL classification:

J13

J12

K36

Keywords:

Fertility rate

Divorce law

Abortion law

Oral contraception

ABSTRACT

This paper examines the effect of divorce law reforms on fertility using the history of legislation on divorce across Europe. Because the introduction of more liberal divorce laws permanently reduces the value of marriage relative to divorce, these permanent shocks should also affect the fertility decisions of individuals, to the extent that children are considered marriage-specific capital. Our results suggest that divorce liberalization has a negative and permanent effect on fertility. Divorce reforms have decreased the Total Fertility Rate by about 0.2. The magnitude of the effect is sizable, taking into account that the average Total Fertility Rate declined from 2.84 in 1960 to 1.66 in 2006. These findings are robust to alternative specifications and controls for observed (the liberalization of abortion and the availability of the birth-control pill, among others) and unobserved country-specific factors, as well as time-varying factors at the country level. Supplemental analysis, developed to understand the mechanisms through which divorce law reforms affect fertility, shows that both marital and out-of-wedlock fertility decline, but that the impact on marital fertility varies, depending on whether couples are married prior to or after the divorce law reforms, pointing to a selection effect on the composition of marriages.

© 2014 Elsevier B.V. All rights reserved.

[☆] This article has benefited from the comments provided by Libertad González, Shoshana Grossbard, Elena Stancanelli, and Almudena Sevilla-Sanz, as well as the participants at the European Association of Labour Economists Conference, the Spanish Economics Association Congress, the European Society of Population Economics Conference, and the European Economic Association Conference. The authors are grateful for the financial support from the Science, Technology, and University Department of the Government of Aragon (grant reference number B094/09), and the Spanish Ministry of Economics (Project ECO2012-34828). We would like to thank the editor and the reviewers for their time and valuable remarks. The usual disclaimers apply. The responsibility for the analysis and conclusions presented in this article belongs solely to the authors.

^{*} Corresponding author at: Facultad de Economía y Empresa, Departamento de Análisis Económico, Universidad de Zaragoza, Zaragoza (50005), Spain. Tel.: +34 876554684. E-mail address: mmarcen@unizar.es (M. Marcén).

1. Introduction

Over the past fifty years, European countries have experienced a considerable decrease in their Total Fertility Rates (TFR).¹ This rate declined from 2.84 on average in 1960, to below 1.9 in almost all European countries in 2006, with the lowest TFRs being for Greece (1.4), Spain (1.38), Portugal (1.36) and Italy (1.34), according to Eurostat. These levels, below the replacement rate of 2.1, are an ongoing concern for policy-makers and researchers alike. The search for explanations of this decline in fertility has covered much ground (see for a review Feyrer et al., 2008): the dramatic increase in female labour force participation (Ahn and Mira, 2002; Michael, 1985), the rise in earnings that increased the opportunity cost of women's time (Becker, 1981), technological progress (Galor and Weil, 1996; Greenwood and Seshadri, 2002), the decline in infant mortality (Sah, 1991), the law reforms that made abortion more accessible, and the availability of the birth control pill (Ananat et al., 2007; Goldin and Katz, 2000, 2002), among other factors. In this paper, we present evidence suggesting that divorce law reforms have also played an important role.

We are not the first to study empirically the effect of divorce law reforms on fertility but, to our knowledge, there is no existing literature that has examined reform's impact on European fertility rates. The majority of papers have focused on the effect of public policies that regulate the aftermath of divorce in the US, finding a positive correlation between these laws and the fertility rate (Halla, 2013). Less work has been done on the analysis of the fertility effects of divorce law reforms that regulate how spouses obtain a divorce. Alesina and Giuliano (2007) and Drewianka (2008), both using US data, found that the implementation of divorce law reform has a negative effect on the fertility rate.

The introduction of more liberal divorce laws generates a permanent reduction in the costs of divorce, and so marriage become less attractive relative to divorce (Matouschek and Rasul, 2008). From a theoretical point of view, the decline in the value of marriage is expected to negatively affect marital fertility, to the extent that children are considered as marriage-specific capital (Becker et al., 1977; Stevenson, 2007). This is not the only expected impact of divorce laws on fertility. An opposite effect is also suggested if couples who are already married utilize investment in marriage-specific capital strategically over-investing in children to increase the value of their marriage (Stevenson, 2007). Additionally, divorce law reforms can have an effect on the costs of entering into a bad marriage, which after the reforms are also reduced. In this setting, the decision to marry may be easier to take, especially if there are individuals who want to have children in a marital setting, which negatively affects out-of-wedlock fertility and positively affects marital fertility (Alesina and Giuliano, 2007; Drewianka, 2008). All these contrary forces, operating through marital and non-marital fertility, make the effect of divorce laws on fertility unclear. Thus, whether divorce law reforms have an impact on fertility appears to be an empirical issue.

In our analysis, we construct a panel of 18 European countries spanning the period from 1960 to 2006, using data from Eurostat, to analyze the effect of changes in divorce laws on fertility rates. We identify the relationship by exploiting the legislative history of divorce liberalization across European countries. Our results suggest that the introduction of divorce law reforms decreases fertility rates, and that the effect appears to be permanent. These results are consistent with the use of different measures of fertility rates and with the use of fertility rates by age of the mother. We find that fertility falls in all age groups, with the decline being greater for women between 20 and 34 years old.

These findings contribute to the growing literature on the impact of changes in divorce laws on socio-economic outcomes. Using

methodologies very similar to ours, much of the recent literature has focused on the impact of divorce law reforms on divorce rates, generally finding a positive relationship between the permissiveness of the laws and the probability of divorce (Friedberg, 1998; González-Val and Marcén, 2012b; Gray, 1998; Peters, 1986, 1992; Wolfers, 2006, for the US; and González and Viitanen, 2009; González-Val and Marcén, 2012a, for Europe). Other researchers have studied the effect of changes in divorce laws on suicide, domestic violence and spousal homicides (Stevenson and Wolfers, 2006), marriage rates (Drewianka, 2008), marriage-specific investments (Stevenson, 2007), labour supply (Gray, 1998; Peters, 1986), and child outcomes (Gruber, 2004). Not only do we add to this literature by examining the effect of divorce law reforms on fertility, but we provide additional evidence suggesting that our results are not driven by unobserved country-specific factors, time-varying factors at the country level, the liberalization of abortion, reforms of cohabitation laws, or the availability of the birth-control pill.

We introduce controls for fixed and trending unobserved factors at the country level that may be correlated with fertility. In addition, we include in our main specification a host of country level variables that appear to be related to fertility rates. For instance, given that fertility rates are lower among women who participate in the labour market (Kalwij, 2000) and among those who are more educated (Bloemen and Kalwij, 2001; Breierova and Duflo, 2004; Leon, 2004), the large rise in labour force participation since the 1970s may be driving our results. After including all these controls, the coefficients that capture the effect of divorce law reforms change very little. Another potential concern with our analysis is that it omits reforms that introduced changes in the abortion and cohabitation laws, the introduction of the oral contraceptive pill, and other family policies that may also be driving the evolution of the TFR. To examine this issue, we add to our main specification controls for legislative variations across countries in the timing of these reforms. Results are robust to the introduction of these controls.

In the final section, we examine how divorce law reforms operate by analysing the effect on out-of-wedlock fertility and on marital fertility, separately. We find that the marital fertility rate decreases as a consequence of the liberalization of divorce laws, but that the effect is transitory; after a decade, no effect can be discerned. On the contrary, the impact on out-of-wedlock fertility is negative and permanent. Thus, our results suggest that the decrease in the TFR might be driven by two forces: first, after the adoption of reforms, the TFR may fall due to the reaction of both marital and non-marital fertility, and after 7 to 8 years it may be driven by the reaction of out-of-wedlock fertility. We also explore whether the timing of marital births is influenced by divorce law reforms. Results suggest that divorce law reforms have a selection effect on the composition of marriages, since we observe that those reforms may have different effects on fertility, depending on whether couples were married before, or after, the divorce law reforms.

The remainder of the paper is organized as follows. Section 2 presents the empirical strategy. Section 3 describes the data. Baseline results and robustness checks are discussed in Section 4. In Section 5, we analyse the mechanisms through which divorce law reforms operate, and Section 6 sets out our main conclusions.

2. Empirical strategy

Our empirical approach makes use of the variations in the timing of divorce law liberalization across European countries, in order to identify the effects of these reforms on fertility rates. The reforms, known as no-fault unilateral divorce reforms, consist of any change in divorce laws that liberalizes divorce and of those changes that introduce unilateral divorce either implicitly (at least after a required separation period) or explicitly (divorce can be granted at the request of either spouse). As shown in González-Val and Marcén (2012a,b), the date of the no-fault unilateral reforms coincides with the timing of structural breaks located in the divorce rates series of European countries and of the US. These authors explain that those policy shocks had a permanent impact on the

¹ The TFR is defined as the mean number of children that would be born alive to a woman during her lifetime if she were to pass through her childbearing years conforming to the fertility rates by age of a given year.

Download English Version:

<https://daneshyari.com/en/article/972132>

Download Persian Version:

<https://daneshyari.com/article/972132>

[Daneshyari.com](https://daneshyari.com)