UNIVERSITEIT GENT

FACULTEIT ECONOMIE EN BEDRIJFSKUNDE

TWEEKERKENSTRAAT 2
B-9000 GENT
Tel. : 32 - (0)9 – 264.34.61
Fax. : 32 - (0)9 – 264.35.92

WORKING PAPER

No-Fault Divorce and Rent-Seeking

Sietse Bracke

Koen Schoors

Gerd Verschelden

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Sietse Bracke† Koen Schoors‡ Gerd Verschelden§

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Abstract

Couples filing for divorce in Belgium have the option to either opt for a no-fault divorce trajectory or a consensual trajectory. We analyse the determinants of divorce trajectory choice and of the resulting post-divorce transfers. The no-fault trajectory is more likely, if spouses are more specialised in either domestic or labour market production. This is consistent with a theory of divorce as rent extraction. Child support payments depend neither on the divorce trajectory nor on alimony transfers or relative incomes, but are driven by the payer's wage and the child(ren)'s residence. Partner alimony transfers are higher for no-fault unilateral divorces with pronounced self sacrifice.

Keywords: Divorce, Bargaining, Law and Legislation

JEL Classification: K36, D14

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†Ghent University, Department of General Economics, Tweekerkenstraat 2, 9000 Ghent, Belgium

‡CERISE & Ghent University, Department of General Economics, Tweekerkenstraat 2, 9000 Ghent, Belgium

§Ghent University, Department of Civil Law, Universiteitstraat 4, 9000 Ghent, Belgium

1 Introduction

In western society divorce has become widespread, with grave financial impact on personal finance. The past decades divorce laws have shifted from fault-based divorce to no-fault divorce all over Europe and the US. There exists a vast literature on this 'no-fault revolution', which has received extensive attention in the law and economics literature (an overview can be found in Dnes and Rowthorn (2002)). The literature has mainly focussed on the effect of no-fault unilateral divorce on the number of divorces (for an overview, see Mechoulan (2005)). Based on the Coase theorem (Coase, 1960), Becker et al. (1977) argue that the introduction of unilateral divorce should not have any effect on the number of divorces. Fella et al. (2004) and Chiappori et al. (2007) show micro-theoretically that this only holds under very specific assumptions on production and utility functions. This is confirmed empirically by Stevenson and Wolfers (2006)[1].

This paper falls in a different strand of the literature that investigates the effect of unilateral divorce on transfers between divorcing spouses from a bargaining perspective. If only one of the spouses wants to divorce, spouses engage in 'bargaining in the shadow of the law' (Mnookin and Kornhauser, 1979), where the existing law becomes a threat point for one of the spouses. In a legal system with only consensual divorce the spouse not seeking divorce has the bargaining power. Often this is the (financially) weaker partner. He or she can ask for compensation from the divorce seeking spouse. When the law allows for unilateral divorce the bargaining power shifts to the partner seeking divorce, who can always threaten with unilateral divorce (Fella et al., 2004). Bargaining theory predicts that this shift in bargaining power leads to a change in the agreed transfer upon divorce. The spouse not wanting divorce will have to settle for a lower transfer. Empirical research that tries to confirm this hypothesis is largely missing due to the scarcity of adequate micro data.

Comparing transfers before and after the introduction of no-fault unilateral divorce falls beyond the scope of this paper. In this paper we examine divorce outcomes in 2 different divorce trajectories, the consensual trajectory and the (for Belgium)new no-fault unilateral trajectory. By means of unique Belgian data we analyse the determinants of divorce trajectory

[1]The history of this debate goes back to Peters (1986), Allen (1992), Peters (1992), Friedberg (1998), Wolfers (2006) for the US, and recently Gonzalez and Viitanen (2009) and Kneip and Bauer (2009) for Europe.

choice and we investigate the determinants of transfers upon divorce with special attention to the degree of self-potential sacrifice - i.e. sacrificing one's own potential labour market production to focus on domestic production. We investigate whether couples with a higher difference of sacrifice are more likely to opt for a no-fault divorce trajectory. In other words: do we observe rent-seeking behaviour as described in Cohen (1987) and Parkman (2002)? Furthermore, if this rent-seeking is indeed apparent in the data, does it affect the post-divorce transfers?

When dealing with changes in divorce legislation, it is crucial to define the different possible legal systems. These can be distinguished based on two characteristics: (1) Is fault a necessary ground for divorce? (2) Does divorce require consent of both spouses? The different combinations yield different legal systems, which are depicted in the figure below.

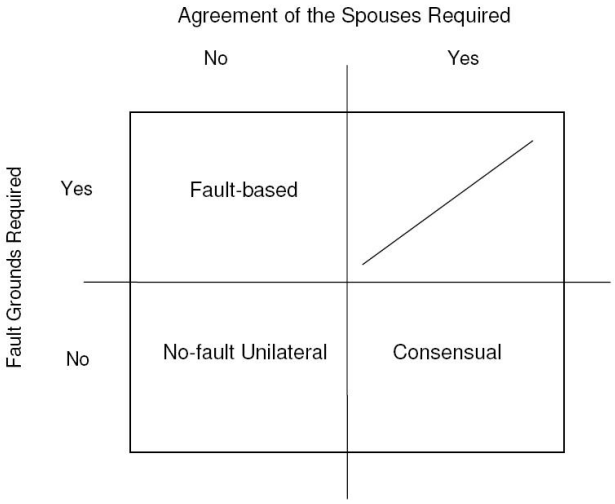

Figure 1: Possible Divorce Law Regimes

This paper will deal with the difference between spouses in a consensual trajectory (4th quadrant) and a no-fault unilateral trajectory (3rd quadrant, further referred to as no-fault) when both are available. Section 3 provides a detailed description of the governing divorce law in Belgium.

We find - using respectively a standard probit model and a two-part (hurdle) model - that ex-couples with a greater specialisation in either labour or domestic production are more likely to opt for the no-fault trajectory, but that couples in a no-fault trajectory typically set

a higher amount of spousal alimony. Child support transfers do not seem to depend on the divorce trajectory. The remainder of this paper is structured as follows: section 2 presents a brief overview of the literature. In section 3 we explain a bit in more detail which law changes took place, while section 4 and 5 will present the data and econometric analysis after which section 6 concludes.

2 Contract Theoretical Approach to Marriage and Divorce

This paper examines marital situations starting from a contract theoretical point view as in Cohen (1987, 2002). Cohen states that "*by far the most important gain from marriage is that it allows for investment in assets of peculiar value to this relationship...* ". Now, which specific investments does marriage entail? First of all, both men and women have sex and procreation to offer. Moreover, it is suggested that men might value the former and women the latter more. Allen and Brinig (1998) show that differences in sex drives between spouses affects spousal bargaining strengths: the spouse having the lowest sex drive at any given point during marriage has the property right over whether or not sexual intercourse will occur, thus increasing his or her bargaining power. Secondly, and more relevant for this paper, there is physical protection and income, and homemaking and childrearing (or as Becker would call them: labour market and domestic production).

Let us take a look at the family from a contract-theoretical point of view. Before doing so, it is important to define a concept used in contract theory, namely quasi-rents[2]. Quasi-rents are defined as "*a return to one party to a contract, above what the party could receive if the contract could be dissolved at will at that moment*" (Cohen, 1987). Let us consider the traditional family as described in Becker (1991). In the traditional family wives focus on domestic production whereas husbands focus on labour market production. Thus, as Cohen (1987) and Parkman (1992, 2002) point out, in the beginning of the marriage the husband will enjoy more quasi-rents from marriage since he can focus on a career while caring less about e.g. childrearing. The wife on the other hand will enjoy more quasi-rents in a later stage of marriage when the children are more able to maintain themselves

[2]The notion of quasi-rents was actually introduced by Alfred Marshall, the law and economics adaptation came from Nobel laureate Buchanan (1983).

and she can benefit from the larger family income and/or a higher social status. Thus a husband has a clear incentive to appropriate the wife's future quasi-rents, by divorcing her unilaterally after having extracted most of his quasi-rent from the marriage. This is called quasi-rent destruction. Brinig and Allen (2000) argue that there are two different types of quasi-rent destruction. First of all, quasi-rents could be appropriated within marriage through the renegotiation of the rent distribution. They call this exploitation. Secondly, and more important in this paper, quasi-rent may be appropriated through divorce. This is what they call appropriation. Renegotiation of the rent distribution within marriage may lead to divorce if one of the spouses has too little bargaining power, which leads her or him to perceive divorce as a better alternative to being married and heavily 'exploited'.

Mind that throughout the rest of the paper we will use spouses or partners, and not husbands or wives. Above we assumed the Beckerian traditional family with function specialisation. However, this does not need to be the case. First of all, the specialisation could be different: women could specialise in labour market production if they have a comparative advantage. Secondly, and more importantly, the law and economics approach shows that divorce is driven by self-interest at the time of divorce. Individuals file for divorce when there are marital assets that may be appropriated through divorce, as e.g. in the medical school syndrome[3], leaving after the educational investments have been made. We define self-potential sacrifice as the relative investment in domestic production made by partners, irrespective of the sex of the investing partner. This paper examines if this inequality in self-potential sacrifice is related to the choice of divorce trajectory; as predicted by Cohen (1987) and Parkman (1992, 2002).

Other authors point out that during marriage the sex ratio - the ratio of single women to single men per age cohort - evolves unfavourably over time for women (see Browning et al. (2008), Chapter 1; or Chiappori et al. (2002) who uses the evolution of the sex ratio to identify the distribution rule in the collective model), reducing the outside options for women, and thus further limiting their bargaining power. As Chiappori et al. (2002) point out: when there exists a relative abundance of women, bargaining power and therefore the gains from marriage will shift in favour of the husband. This may in turn affect the behaviour of the

[3]The Anglo-Saxon literature often refers to the medical school syndrome (Borenstein and Courant (1989)), where one spouse helps to pay the other's tuition fees and is later abandoned once the other has finished school.

husband who might engage in exploitation or appropriation. The figure below clearly shows that from the age of 40 the sex ratio rises steadily indicating relatively more and more single women. In addition some authors claim that the decline of relative male sex drives with age may weaken the bargaining power of women that are married to older men (Allen and Brinig, 1998).

Thus concluding, there may exist several incentives for rent-seeking behaviour. When parties make considerable investments in marriage, they both will be reluctant to divorce since the benefits from continuing marriage will be larger than the gains from another relationship because the investments they made are sunk and cannot leave the marriage. However, when one partner has made considerable more investments, the other partner might be tempted to take advantage. This temptation may be further boosted by the fact that bargaining power within the marriage changes with sex ratios and relative sex drives.

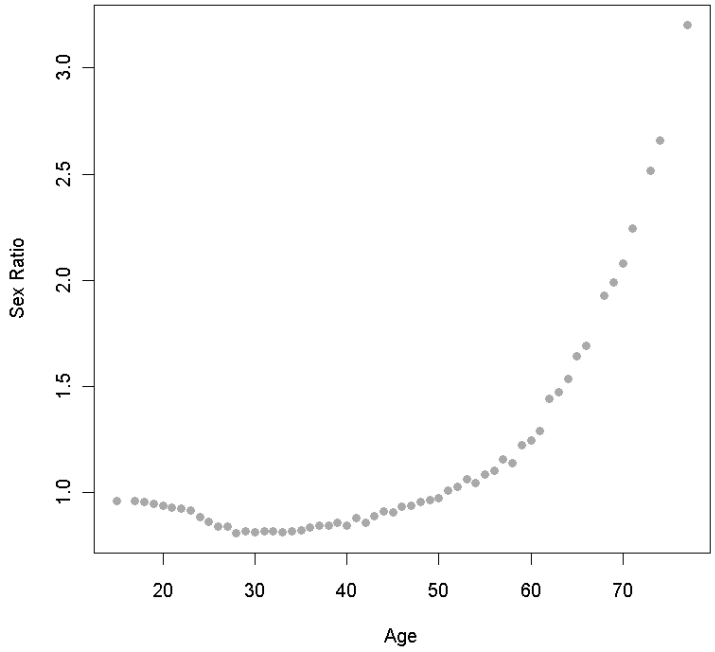

Figure 2: Sex Ratio
Source: Eurostat data for Belgium (2008)

A wide range of studies have investigated this phenomenon, and it is within this specific

strand of the law and economics literature that this paper should be situated. Brinig and Allen (2000) investigate why most divorce filers in the U.S. are women. They find that this is very consistent with the exploitation and appropriation theses stated above, the latter being the most relevant. They find that the main component of deciding who files for divorce is who gets the children. In other words, since U.S. divorce law has favoured women for custody, women have had an incentive to file for divorce and thus appropriate the consumption good, children. Another study based on Norwegian panel data by Tjotta and Vaage (2008) finds that the level of public transfers to divorced families has a significantly positive effect on divorce probability and that the distribution of transfers in favour of the wife increases this probability. Thus not only the type of divorce law matters (fault or no-fault), but also the details of these laws and the institutional framework surrounding them. Therefore we will give a detailed overview of the legal framework in Belgium in section 3.

This paper not only looks for the determinants of divorce trajectory choice to test whether couples with a higher degree of function specialisation are more likely to opt for the no-fault trajectory, but also analyses the consequences of trajectory choice on the transfers upon divorce. Because of the lack of adequate micro-data, there is little empirical research on divorce transfers and their determinants, and linking these to divorce legislation changes. The most complete analysis was done by Weiss and Willis (1993). They follow a cohort of whites who graduated from high school from 1972 to 1985. They estimate the transfer as a function of current and permanent income, duration of marriage, variables indicating the quality of the match and juridical dummy variables. As transfers they consider: child support payments, alimony payments, and the transfer of property. They take the net present value of the three, and perform separate regressions for couples with and without children[4].

In order to do the settlement regressions, Weiss and Willis first estimate a reduced form probit model. Estimates from this model are then used to calculate the inverse Mills ratio in year of divorces. The inverse Mills ratio is then included in the list of regressors. They find that - in line with Teachman and Polonko (1990) and Del Boca and Ribero (1998) - the transfer tends to increase with the husband's income and to decline with the wife's. Somewhat surprisingly, they find that both the level as well as the sensitivity of transfers to income are quite small.

[4]Note that we will follow an alternative approach, which will be elaborated in section 4.2.

Weiss and Willis also consider quality of match variables: differences in religion, ethnicity, and age. Weiss and Willis assume that couples of similar traits are less likely to have conflicts within marriage and in divorce and should therefore be considered as control variables. They find that ex-spouses with the same ethnicity and with a larger age difference have lower transfers, albeit only significant for couples without children. Another quality of match variable is marriage duration. Weiss and Willis cite Cohen (1987) who suggests that "*The loss that results from a bad realization of marriage quality is larger, the later it is revealed, since more marriage-specific capital will be accumulated. Therefore, a larger compensation for the wife will be required*". Even so, their results reported in the appendix surprisingly show that transfers fall with the duration of marriage.

When looking at transfers and evaluating them under different trajectories, it is crucial to meticulously study the details of the family law and the surrounding institutional framework. One should bear in mind that it is not that easy to classify a country or a state in the United States as fault or no-fault, consensual or unilateral divorce. Most importantly, one should not confound these concepts or treat them as synonyms. In a state with fault-based divorce one spouse has to prove fault of the other in order to acquire divorce. In the 1970s fault grounds were rescinded throughout the United States. Although in many states this change went together with the introduction of unilateral divorce, it is not necessarily so. Consensual divorce is per definition no-fault.

3 Legal and Institutional Framework in Belgium

3.1 The No-Fault Law of April 2007

In September 2007, Belgium underwent a significant change in divorce legislation. Before, divorce was either possible on fault grounds or consensus of the spouses (in Dutch: *Echtscheiding door Onderlinge Toestemming* or EOT). Fault grounds were adultery, violence, cruelty and severe insult[5]. The new law (Art. 229 of the Belgian civil code) rescinded these faults

[5]Severe insults include insulting statements about the spouse, maintaining an insulting (non-sexual) relationship, refusal of sexuality, expressing homosexuality, neglecting the household or contributions to the marriage, alcohol or drug abuse, love declarations to a third party, religious fanaticism, but also desertion or abandonment with malicious content.

as separate grounds for divorce. It kept the consensual divorce as it was, but made the conditions for it more lenient. But the radical change in the new law was the introduction of divorce based on irretrievable breakdown of the marriage (in Dutch: *Echtscheiding op grond van Onherstelbare Ontwrichting van het huwelijk* or EOO). This is the so-called no-fault divorce[6]. EOO can be obtained consensually or unilaterally. If both spouses agree on filing for divorce, they can immediately obtain a divorce judgment if they have lived apart for at least 6 months. In case they have filed the claim before this period of 6 months is reached, the divorce judgment can be pronounced after both parties appear before court a second time, maximally 3 months after their first appearance.

In case only one of the spouses wants to obtain divorce, there are two possibilities. First, a divorce judgment can be immediately obtained in case the spouses have lived apart for a period of at least 1 year. If this period has not yet been reached, the divorce judgment can be pronounced after the plaintiff appears before court a second time, maximally 1 year after his first appearance. When the other spouse decides to agree with the initial unilateral claim, the shorter terms of the consensual claim can be applied. Second, it is possible to immediately obtain a divorce judgment if proof is furnished of irretrievable breakdown. Here all former fault grounds still play an important role. This implies that the fastest way of obtaining a divorce is through a claim by mutual consent. When a unilateral claim is filed, the divorce proceeding can be quickened by reaching a consent between spouses. Indeed, spouses may/will pressure the other one to agree with divorce in order to obtain a judgment more speedily.

One could argue that consensual EOT and the consensual procedure of the new no-fault law are very comparable, since they both require both spouses to want a divorce. Yet, there is a crucial difference. The EOT requires that spouses reach an arrangement on all consequences of divorce (custody, alimony, property division, etc.). A no-fault procedure allows for divorce

[6]Gonzalez and Viitanen (2009) state that no-fault divorce in Belgium existed pre-1950 and unilateral divorce has existed since 1975 - with changes in the length of factual separation required in 1983 and 2000. No-fault divorce already existed in Belgium pre-1950 (already in the 19th century to be more precise) in the sense that consensual divorce does not require fault to be shown. As far as unilateral divorce is concerned, most fault-based divorce legislations have some form of unilateral divorce incorporated in case of serious fault such as domestic violence or desertion.

to be granted without having arranged anything. Partial arrangements (say on children or property division) can be ratified in court, and subjects not agreed upon are settled in court. Furthermore, ratified arrangements should still be considered as temporary, since they can always be changed in the final judgment by the court.

3.2 Duty of Maintenance under the New Law and Enforceability

Under the old fault-based law, the 'not guilty' spouse was entitled to alimony. The amount was settled in court so the receiver could maintain the same standard of life prior to divorce. Alimony was in principle perpetual. Under the new no-fault law, only the *needy* are entitled to alimony. The concept of neediness is defined rather vaguely in the law, and thus gives more discretionary power to the courts when setting the amount. Art. 301 §3 states that the courts should take into account the income and potential income of the spouses. Moreover, the duration of alimony is on principle limited to the duration of marriage, but it is stipulated that: "*in case of extraordinary circumstances, such as a very long cohabitation prior to marriage, the duration of alimony can be extended ex post, if the receiver is still in a state of neediness because of circumstances out of his or her control*[7]". This again increases the discretionary power of the courts. However, an upper bound for alimony remains: alimony payments may not exceed one third of the net income of the alimony payer. Finally, even though the new law is supposedly no-fault, the proof of certain faults[8] still can be called upon as ground for *not* having to pay alimony (Art. 301 §2).

Weiss and Willis (1993) also cite the problem of enforceability of post-divorce transfers. Belgian law is quite strict on the issue if compliance. Art. 301 §11 of the Belgian civil code states that if a spouse does not pay the sentenced alimony the other spouse can ask the court to take possession[9] of defaulter's income until the alimony payment is met. Moreover, according to Art. 391 of the penal code the defaulter can be sentenced to up to 6 months in prison and a fine up to €500 if the default is malicious. A second conviction within 5 years doubles these penalties.

[7] Translated from the Belgian Civil Code art. 301 §4.

[8] These are severe faults such as assault and battery or rape.

[9] A Royal Decree forbids taking possession if the income is lower than €944, and weakened the one third rule for incomes between €944 and €1224.

3.3 The New No-Fault Law and Rent-Seeking Behaviour

In section 2 we discussed the relationship between legal regimes and rent-seeking behaviour and demonstrated how incentives for rent-seeking behaviour may emerge if marriage contracts become less enforceable. By introducing the no-fault EOO trajectory, divorce has become easier to obtain and marriage contracts became less enforceable. However, it seems that the legislator has understood that this may indeed lead to rent-seeking and has anticipated increased rent-seeking by also enacting a mechanism to compensate the victims of rent-seeking for their losses. Specifically, art. 301 §3 subsection 2 states that when determining partner alimony the court should also take into account the decline of income of the spouses. To evaluate the magnitude of this decline, the law stipulates that the judge should take into account marriage duration, age of the spouses, and their behaviour during marriage concerning the organization of the family's needs and care for the children. The question is whether this compensation will indeed be granted in reality. If the data indeed show that a compensation exists, then the net rent-seeking effect of the no-fault law is mitigated.

4 Data

4.1 Data Collection

As said in the introduction, the lack of empirical work on divorce transfers is mainly due to the lack of detailed micro-data. We use a unique Belgian data set collected by the IPOS project. The IPOS project is a cooperation between Ghent University and the Catholic University of Louvain, sponsored by the IWT (Institute for the Promotion of Innovation by Science and Technology in Flanders). IPOS stands for "Interdisciplinary Project for the Optimization of Separation Trajectories". The survey results from a cooperation of psychologists, lawyers and economists. Thus, apart from a psychological and juridical part, this survey also pays attention to the economic aspects of divorce and transfers. All spouses who divorced between March 2008 and March 2009 in the courts of 4 Flemish cities (Antwerp, Ghent, Kortrijk and Mechelen) were given a brochure in which was asked to participate in a study concerning divorce. If respondents replied favourably, they were contacted within 3 weeks to fill out an electronic questionnaire. Because all people who divorce in Belgium have to go to court at least once, our recruitment strategy minimises the bias of convenient sampling.

Not all people contacted in court were willing to cooperate. Given that participation is voluntary and the stressful situation (most) soon to be ex-spouses find themselves in, one would expect a very low participation rate. Nevertheless, of the 8,896 distributed brochures 3924 (44%) responded favourably. There was an additional dropout after being contacted (not willing to participate anymore, wrong contact data or annulment of the divorce) leaving an overall participation rate of 20.8%. Our data are self-reported data and should be interpreted with the needed care. Although the data-collection procedure has its drawbacks, it gives all divorcing people the same chance of participation and should thus be preferred over convenient sampling methods.

4.2 Descriptive Statistics

The IPOS data set contains 2,146 surveys of which 1,850 fully completed. However, when recruiting participants in court, both spouses had the opportunity to join the survey. Therefore, data on an ex-couple i, j could be included twice in our regressions biasing standard errors downwards. To cope with this, if both spouses participated one entry was randomly deleted. This leaves us with $N = 1{,}594$ of which 709 men and 885 women with an average age of 45.57 and 42.25 respectively. The respondents, both men and women, were fairly high educated: about 41% had had some form of higher education.

Average relationship duration was about 16.5 years. Average marriage duration was about 14.5 years, with a median of 13.08 years, which is well consistent with the data of the Belgium National Institute of Statistics (NIS)[10] that stated a median duration of 13.00 years in 2007. Average age upon marriage was 29.40 for men and 26.26 for women. Again, this 3 years age difference is consistent with NIS data.

The histogram with an Epanechnikov kernel distribution below in figure 3 clearly indicates that the hazard of divorce reaches its peak in the first five years of marriage. As control variables we use different indicators of quality of the match, namely differences in education and age as well as the age of the youngest spouse. Combining this with marriage duration, we also control for the age at marriage. It is assumed that couples who marry at later age and thus invested more time in screening possible mates have more stable relationships and are

[10] http://statbel.fgov.be/

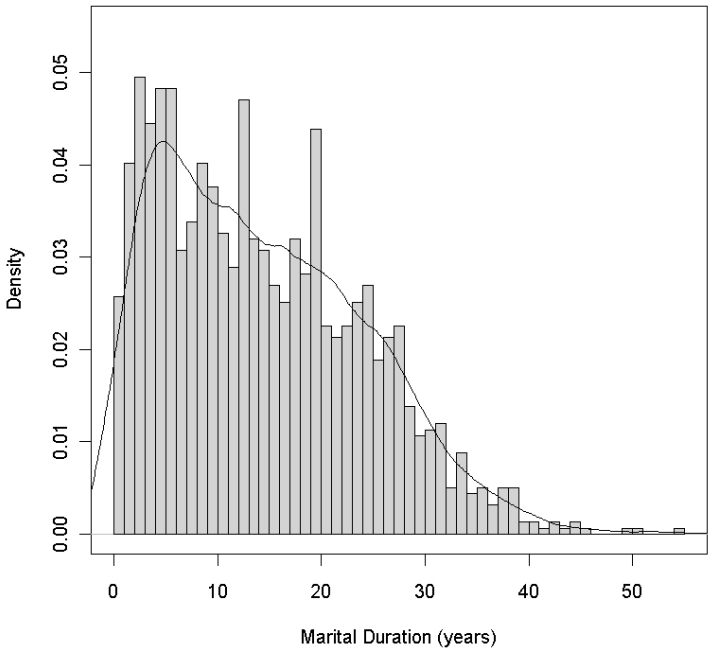

Figure 3: Years married upon Divorce

more likely to cooperate if the marriage breaks (Weiss and Willis, 1993). Marriage duration is a crucial but ambiguous item. On the one hand a long marriage duration suggest a more stable relationship, so bargaining upon divorce might be more fluent. On the other hand, as mentioned before, the loss from a divorce is larger when more marriage-specific capital has been accumulated. The vast majority of people in the sample, over 75%, report to have one child or more with their ex-spouse.

Self-Potential Sacrifice

Self-potential sacrifice is defined as sacrificing a labour market career to focus on domestic production. It is therefore natural that this is highly correlated with wage difference between spouses. To see why, we go back to the Beckerian theory on optimal allocation of time in households. According to Becker, the decision on household production or labour market production is driven by comparative advantages. Thus, sacrifice of self-potential in the labour market is jointly determined with the wage difference. Therefore wage difference is an indirect way to measure self-potential sacrifice. In this paper we also investigate a more direct measure:

we simply asked participants a series of questions on who did various household chores prior to divorce and constructed a scale.

More specifically, we construct the direct measure of self-potential sacrifice based on 7 questions regarding household chores before divorce, namely staying at home when the children were ill, cleaning and washing, food and cooking, buying groceries, taking care of the children, leisure activities of the children (playing, transport), diverse chores in the house (garden maintenance, fixing things). Respondents indicate on a 5-point Likert scale their share in these chores on average in the last year before filing. This 5-point scale, ranges from '*I did a lot more than my ex*' to '*My ex did a lot more than me*'.

Table 1: Direct Measure of Self-Potential Sacrifice

Chore	Obs	Sign	Item-Test Correlation	Average Inter-Item Covariance	Alpha
Washing and Cleaning	1594	+	0.87	0.78	0.83
Nourishment and Cooking	1594	+	0.84	0.74	0.84
Groceries	1594	+	0.76	0.81	0.85
Gardening and Reparations	1594	+	0.34	1.09	0.91
Staying at home when a child is Ill	1203	+	0.81	0.71	0.85
Child Care	1203	+	0.89	0.85	0.83
Leisure Activities of Child	1203	+	0.76	0.68	0.85
Test Scale				0.81	0.87

Table 1 lists the inter-item correlations and covariance for all pairs of household chores included in the survey as well Cronbach's alpha statistic for the scale formed by these items, namely the direct measure of self-potential sacrifice. The first four chores are general household chores, whereas the last 3 are child(ren) related. Since not all ex-couples have children, only 1203 observations out of a population of 1594 report child related chores. An average inter-item covariance of 0.81 and a Chronbach's alpha statistic of 0.87 allows us to conclude that our construct is internally consistent.

We construct a measure of the inequality of distribution of household chores. Ex-couples without children received a score of 3 on child related questions, equivalent to '*We both did*

just as much'. We sum the answers on these 7 chores to arrive at a sum between 7 and 35. We then normalise this variable by the following formula:

$$\text{Sacrifice}_{i,j} = \left| \left(\frac{\sum \text{Chores} - 21}{14} \right) \right| \tag{1}$$

Let us clarify this using the following three extreme cases. (A) A spouse reports on all questions that she/he did a lot more than the ex-spouse, i.e. a score of 1 on each of the 7 questions. Using the formula above the difference in sacrifice will therefore be 1, being the maximum score possible. (B) A spouse reports on all questions that her/his ex did a lot more, i.e. a score of 5 on each of the 7 questions. The difference in sacrifice will therefore also be 1. (C) A spouse reports on all questions that she/he did just as much as the ex-spouse, i.e. a score of 3 on each of the 7 questions. Applying the formula the difference in sacrifice will be 0, the minimum score.

Divorce Trajectory and Divorce Transfers

Divorce transfers essentially consist of three different elements. There is a property transfer, a child support payment, and an alimony payment. Weiss and Willis (1993) also consider these elements in an aggregated approach. They calculate the total transfer upon divorce as the sum of the three and use this total transfer as dependent variable. However, even if legislation leaves room for interpretation there is no reason why one should have anything to do with the other. Both univariate and multivariate statistical analysis indeed show that the correlation between alimony and child support payments is statistically far from significant. Child support payments are expected to depend on custody and residence arrangements, and spousal income. For example, if the parents agree on shared custody, and the child resides according to a week-week arrangement, both parents will contribute the same percentage of their labour income. Thus, the parent with a higher income will contribute more. If the child stays longer with one parent, the other parent will contribute more, etc. It is therefore not surprising that the average income of the spouse paying child support has an average labour income €264 higher than the spouse receiving child support[11].

Property transfers are a different issue altogether. We argue that most property transfers as

[11] Data on labour income was winsorised to the 99th percentile; missing data, 382 observations, were imputed. Results are available on request.

considered by Weiss and Willis (1993) are, as a matter of fact, not transfers. Suppose two ex-spouses own a house together. Upon divorce it is decided that the wife gets the house and pays her ex-husband half of the value of the house. Can we therefore conclude that there was a transfer of property to the wife? And was there a cash transfer to the wife? Clearly not. Only if shares of property are sold among ex-spouses at a price that differs from the market value (or if the property stays in mutual possession but only one has the right of use and enjoyment) one can speak of a transfer by means of property. It goes without saying that the analysis of property settlements requires fair market values on houses. Since these data are not available to us, property will not be considered in our analysis.

Child support and alimony payments are usually, but not necessarily, monthly payments. In order to cope with (the few) lump sum payments, we calculate the monthly equivalent of lump sum payments assuming that people are indifferent between a monthly payment or its lump sum equivalent. The new law effective since September 2007 stipulates that the duration of alimony is limited to marriage duration. We therefore calculate the equivalent expected monthly alimony payments, using a yearly discount rate of 4%, as the sum of a geometric series with limited number of periods namely the months married. We use the following formula.

$$Y_{i,j} \frac{\delta/1+\delta}{1-(\frac{1}{1+\delta})^{n}_{i,j}} \tag{2}$$

where $Y_{i,j}$ denotes the transfer from individual i to j and δ is the monthly discount rate. n denotes the years of marriage of the couple i, j. For alimony payments, $N = 1405$. The average monthly alimony payment was €76.07. This low number results from the large number of zero-observations (1149). The average monthly alimony payment given a non-zero payment was €593.24. A large number of zero-observations require special estimation techniques, discussed in sections 5.2 and 5.3. The average child support payment ($N = 799$) was €239.27. The number of zero-observations here was considerably smaller (197).

As for divorce trajectories, the vast majority (1,159 people) opted for the consensual divorce trajectory (EOT), 327 people opted for a the new no-fault trajectory (EOO), and 108 people opted for consensual divorce but switched to an EOO procedure. As mentioned above, three procedures can be followed within the no-fault trajectory. Of the 435 people following a

no-fault procedure, merely 35 (8.05%) indicated that divorce was by joint request. The vast majority indicated that they followed the unilateral no-fault trajectory. Because only a small percentage followed the no-fault consensual EOO trajectory, these couples will not be considered separately in the remainder of this paper. Table 6 in appendix presents summary statistics and definitions of all the variables used in this paper.

5 Empirical Results

Because of the specific characteristics of the data, estimating the choice of divorce trajectory, child support and partner alimony requires a specific methodological approach which we will discuss in the following paragraphs.

5.1 Choice of Divorce Trajectory

Because the choice of divorce trajectory is a dichotomous variable - one either chooses the no-fault unilateral (EOO) or the consensual (EOT) trajectory - a binary outcome model is required. Therefore a standard probit model is used. We estimate the following equation:

$$\text{No Fault}_{i,j} = \text{cte} + \boldsymbol{\beta}\mathbf{Bargaining}_{i,j} + \boldsymbol{\delta}\mathbf{Match}_{i,j} + \boldsymbol{\gamma}\mathbf{Conflict}_{i,j} + \epsilon_{i,j} \tag{3}$$

As explanatory variables we use a series of variables which indicate a discrepancy in bargaining power, control variables indicating the quality of the match and variables indicating conflict prior to divorce. $Wage$ is the difference in monthly labour income expressed in thousands of Euros, $Sacrif$ is the inequality in domestic production, $SexRatio$ is the ratio of single women over single men per age category of the husband. $FamInc$ is the monthly family income expressed in thousands of Euros. As quality of match variables we include the presence of children, the age difference, the age of the man, the difference in highest attained diploma and the duration of the marriage. As conflict variables we include the frequency of conflict and financial conflict prior to divorce as well as a dummy indicating whether or not both spouses agreed to divorce. This dummy will be zero when one of the spouses preferred to stay married.

If it is the case that couples with a greater discrepancy in self-potential sacrifice tend to

opt more for the no-fault trajectory then both the coefficients for $Wage$ and $Sacrif$ should be greater than zero. Furthermore, one could reasonably expect that if spouses disagree on getting divorced and if prior to divorce there was more conflict, the chances of a unilateral no-fault divorce are larger. The sex ratio indicates possible imbalances in the marriage market per age cohort. A sex ratio larger than one indicates a relative shortage of men and therefore reducing the outside options for women, whereas a sex ratio smaller than one indicates a relative shortage of women. Family income is a more ambiguous variable. On the one hand the higher the family income the more there is to loose when disagreeing. On the other hand, it is not worth fighting about the share of the pie, if the pie is too small. It will therefore have to be made clear from the results which effect dominates.

Since we have no data before the introduction of the no-fault divorce, we cannot properly analyse the consequences of introducing no-fault divorce. It is nonetheless crucial that the no-fault trajectory was recently introduced. When analysing trajectory choice in a setting where both trajectories and their payoffs are well-known by people (or at least their legal representatives), expected payoffs should be controlled in the estimation of trajectory choice. In our case we should include a measure for the difference in expected alimony payments in the two trajectories in the analysis, e.g. the ratio of the mean monthly alimony payment in both trajectories. This would mean that trajectory choice and partner alimony payments are endogenous variables. But, since our data window is very short and starts precisely after the introduction of the no-fault trajectory, and since the legislator left the judges with quite some discretionary power regarding alimony payment in this new trajectory, relative expected payoffs were unknown to the agents (divorcees, their legal representatives and judges) in our data window and need therefore not be taken into account when choosing a divorce trajectory. Since alimony payments can be considered as unrelated to trajectory choice in our data window, we can think of our data as a natural experiment that allows us to capture the pure effects of rent-seeking on the chosen trajectory and on the alimony payments.

The table below reports the marginal effects (dy/dx) of a probit regression[12] estimating the chance of choosing the no-fault trajectory (EOO).

[12] A semi-nonparametric estimator à la Gallant and Nychka (1987) and a semi-parametric estimator à la Klein and Spady (1993) yield similar results, available on request.

Table 2: Choice of Divorce Trajectory (N = 1,594)

Variable	(1)	(2)	(3)	(4)	(5)	(6)
Wage (diff)	0.044***	0.039***	0.070***	0.071***	0.068***	0.062***
	(0.013)	(0.013)	(0.015)	(0.015)	(0.015)	(0.015)
Sacrif (diff)	0.157***	0.180***	0.180***	0.158***	0.173***	0.138***
	(0.034)	(0.035)	(0.032)	(0.037)	(0.042)	(0.042)
SexRatio		0.303***	0.285***	0.280***	0.274***	0.273***
		(0.068)	(0.068)	(0.067)	(0.092)	(0.093)
FamInc			-0.050***	-0.052***	-0.050***	-0.039***
			(0.010)	(0.011)	(0.011)	(0.011)
Kids (dum)				0.048*	0.075**	0.066**
				(0.028)	(0.029)	(0.030)
Age (diff)					0.003	0.002
					(0.003)	(0.003)
AgeMan					0.001	0.001
					(0.001)	(0.001)
Educ (diff)					0.010	0.009
					(0.012)	(0.012)
MarrDur					-0.002*	-0.002
					(0.001)	(0.001)
Conf						0.025***
						(0.009)
FinConf						0.030***
						(0.008)
Agree (dum)						-0.098***
						(0.026)
Pseudo-R^2	0.019	0.030	0.043	0.044	0.049	0.070

Significance levels : $*$: 10% $**$: 5% $***$: 1%

The coefficients in the table above should be interpreted in terms of the change in probability a couple opts for the no-fault trajectory caused by a change of one unit of the explanatory variable. We find that both wage and sacrifice difference have a positive coefficient which is statistically different from zero, confirming our rent-seeking hypothesis. In the most complete specification (controlling for the quality of match both indirectly and directly) a couple with a complete inegalitarian division of domestic production has an 13.8% higher probability of

opting for the no-fault trajectory than a couple with a complete egalitarian division. An additional wage difference of €1000 raises the probability with 6.2%.

Also the children dummy has a positive statistically significant coefficient. Thus, in line with Brinig and Allen (2000) the presence of children also increases the likelihood of opting for the no-fault trajectory, in our case with 6.6%. As expected couples in the no-fault unilateral trajectory reported higher conflicts and disagreement on the decision to divorce. Subjects with a higher family income(expressed in thousands of Euros) prior to divorce are less likely to opt for the no-fault trajectory, indicating that the first effect - the higher the family income the more there is to loose by failing to consent - outweighs the other.

Our results for the no fault trajectory are in line with the thesis that the partner who specialised on the labour market and has the highest labour income appropriates the future quasi-rents of the partner who specialised on domestic production and has the lowest labour income. We do not know whether the partner who specialised in labour market production is in fact the one who files for divorce and, in doing so, chooses the legal trajectory, but filing information may not reveal the identity of the instigator of divorce. Many practitioners pointed out, in line with the point of Cohen (1987), that the marital contract can also be breached while remaining nominally married, thus forcing the other spouse to start the no-fault procedure in order to get some compensation. Indeed under the new no-fault law of 2007, living apart for at least 6 months is an important condition to obtain an immediate divorce judgment (see higher). The true instigator of divorce is therefore not necessarily the plaintiff. The question remains how this rent-seeking behaviour will impact the transfers upon divorce.

5.2 Child Support Transfers

First of all, we will structure the dataset as such that individual i will always be the payer and individual j the receiver. The monthly child support transfer, $Y_{i,j}$ is therefore $\in \Re^+$. All other variables - if person specific - will also be structured in the same way, from the payers' point of view. Because data on child support transfers are $\in \Re^+$ often - and wrongfully - a tobit setup is used. However, a tobit setup is only justified when observations are zero but in fact could be less than zero. One could also argue that there is a possible selection effect

in couples who set a zero transfer and a non-zero transfer. As mentioned in the previous section, child support payments in general are not and should not be as subjective to relative bargaining power as partner alimony. Not surprisingly, when using a selection model we do not find evidence of selection. To cope with the 197 zero-observations and in the absence of selection we use a two-part model or the hurdle model. In the first step we estimate a probit model on dY. The second step is a linear regression of $\ln(Y)$ conditional on $Y > 0$. Given the assumption that the two parts are independent, the joint likelihood for the two parts equals just the sum of the two log likelihoods. Of course heteroskedasticity and non-normality of the error terms could be present, but unlike the tobit MLE estimator, neither is required for consistency of the estimator. We use the obvious exclusion restrictions, namely in the first step we use data on the couple, whereas in the second step the data can be conditioned on which spouse is the payer and receiver. In the second step we estimate the following equation:

$$\begin{aligned} \ln \text{Child Support}_{i,j} =& \text{cte} + \boldsymbol{\beta}\mathbf{Bargaining}_{i,j} + \boldsymbol{\kappa}\mathbf{Child}_{i,j} + \boldsymbol{\delta}\mathbf{Match}_{i,j} + \boldsymbol{\gamma}\mathbf{Conflict}_{i,j} + \mu_{i,j} \\ & \text{if Child Support}_{i,j} > 0 \end{aligned} \tag{4}$$

As bargaining variables we include the same ones as we used when estimating the trajectory choice plus the monthly wage of the payer of the child support and a series of variables related to children. The children-related variables are a dummy indicating whether or not the child(ren) reside equally with both parents, the number of children and the age of the youngest child. The estimated model also contains a dummy variable indicating a non-zero spousal alimony transfer and the trajectory.

The Belgian law stipulates that when it comes to child support payments "*parents should contribute proportionate to their resources*[13]". Although this is a vague concept since it is not clearly defined what these resources are, we expect the wage difference to be positively related to child support transfers. Furthermore, it is logical that the more children and the more unequal the child's residence with both parents is, the higher the amount of child support. Conflict variables on the other hand should not matter. As mentioned before, in an univariate setting we found no statistically significant correlation between partner alimony

[13]Translation of the Belgian Civil Code Art. 203 §1.

and child support. This is tested here in a multivariate setting by including a dummy which is one if partner alimony is greater than zero. Also, a quadratic term of marriage duration was included to cope with possible non-linearities.

The estimates below present the results from the second step of the two-part hurdle model.

Table 3: Child Support Payments (N = 602)

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Wage (diff)	0.053	0.053	0.064	0.061	0.049	0.053	0.048	0.048	0.048
	(0.040)	(0.040)	(0.041)	(0.041)	(0.038)	(0.037)	(0.037)	(0.037)	(0.038)
WagePayer	0.303***	0.296***	0.242***	0.250***	0.198***	0.201***	0.199***	0.199***	0.194***
	(0.036)	(0.036)	(0.058)	(0.058)	(0.054)	(0.053)	(0.053)	(0.053)	(0.054)
Sacrif (diff)	-0.070	-0.030	-0.026	-0.060	-0.079	-0.101	-0.018	-0.028	-0.024
	(0.078)	(0.079)	(0.080)	(0.080)	(0.074)	(0.073)	(0.086)	(0.087)	(0.088)
SexRatio		0.654**	0.623**	0.581**	0.166	-0.216	-0.456	-0.474	-0.469
		(0.290)	(0.292)	(0.290)	(0.271)	(0.289)	(0.350)	(0.351)	(0.351)
FamInc			0.046	0.045	0.065	0.049	0.036	0.038	0.041
			(0.039)	(0.038)	(0.036)	(0.036)	(0.035)	(0.036)	(0.036)
Residence (dum)				0.226***	0.209***	0.206***	0.237***	0.238***	0.245***
				(0.079)	(0.073)	(0.072)	(0.072)	(0.073)	(0.075)
Kids					0.255***	0.246***	0.226***	0.227***	0.229***
					(0.025)	(0.025)	(0.028)	(0.028)	(0.028)
YoungChild						0.016***	0.010	0.010	0.011
						(0.004)	(0.006)	(0.007)	(0.007)
Age(diff)							0.004	0.004	0.005
							(0.006)	(0.006)	(0.006)
AgeMan							0.006*	0.006*	0.006*
							(0.003)	(0.003)	(0.003)
Educ (diff)							-0.015	-0.016	-0.017
							(0.026)	(0.026)	(0.026)
MarrDur							0.054***	0.055***	0.054***
							(0.013)	(0.013)	(0.013)
MarrDur^2							-0.002***	-0.002***	-0.002***
							(0.000)	(0.000)	(0.000)
Conf								0.012	0.013
								(0.021)	(0.021)
FinConf								0.005	0.005
								(0.019)	(0.019)
Agree (dum)								0.029	0.025
								(0.059)	(0.059)
No-Fault (dum)									-0.036
									(0.057)
Partneralimony (dum)									0.039
									(0.069)
Intercept	4.889***	4.294***	4.260***	4.113***	4.026***	4.270***	3.988***	3.938***	3.931***
	(0.071)	(0.274)	(0.275)	(0.2787)	(0.257)	(0.264)	(0.290)	(0.297)	(0.298)
R^2	0.213	0.220	0.222	0.232	0.347	0.357	0.357	0.381	0.382

Significance levels : $*$: 10% $**$: 5% $***$: 1%

Since we take the natural logarithm of child support payments as dependent variable the coefficients in table 3 can be readily interpreted as elasticities. Belgian law is rather vague on child support transfers and only stipulates that ex-spouses should pay according to their respective means. Surprisingly we find that not so much wage difference but the level of the wage of the payer is relevant for child support payments: if the wage of the payer rises with €1000 monthly child support will be 19.4% higher. Payments also increase with the number of children and if the child does not reside an equal time with both parents. The older the youngest child, the higher the amount of the monthly child support payment. The sex ratio is statistically significant in columns 2 to 4. However, this result is spurious. The sex ratio is attributed based on the age of the man. There exists therefore a high correlation which age of the man and other variables such as number of children, age of the child and marriage duration. We also find that marital duration is positively (though concavely) influencing the magnitude of child support transfers. A possible explanation for this is that the longer a marriage last, the more compassion has grown between the spouses and the more spouses will agree on what is best for the children. Conflict before divorce does not have an impact on child support payments. Neither the followed divorce trajectory nor the sacrifice scale seem not to have an impact on child support payments. The conflict variables are as expected not significant.

5.3 Partner Alimony

The descriptive statistics showed that the better part of the couples in the dataset no partner alimony was paid. If the people who have a positive transfer are not randomly selected from the total dataset population, a selection bias might exist. However, when estimating a Tobit type II (Heckman) model nor the full ML estimation nor the more robust two-step approach provides evidence for the presence of selection: a likelihood ratio test of independent equations after a full ML estimation yields a p-value of 0.39 and the Mills' ratio in the two-step approach is highly insignificant (p-value of 0.88). We therefore continue using a two-part (hurdle) model. Since the hurdle model does not eliminate the problem of heteroskedasticity and testing rejects a constant variance we use the White-estimator to obtain heteroskedasticity-robust errors. Similar to child support transfer, data on partner alimony will be structured as such that individual i will always be the payer and individual j the receiver. Therefore the

monthly partner alimony payment too will be $\in \Re^+$.

The first step estimates:

$$Pr(\text{Alimony}_{i,j} > 0) = \text{cte} + \boldsymbol{\beta}\mathbf{Bargaining}_{i,j} + \boldsymbol{\delta}\mathbf{Match}_{i,j} + \boldsymbol{\gamma}\mathbf{Conflict}_{i,j} + u_{i,j} \quad (5)$$

Table 4: Partner Alimony Transfers: Two-Part (Hurdle) Model

First Step: Binary Outcome Model (N = 1,594)						
Variable	(1)	(2)	(3)	(4)	(5)	(6)
Wage (diff)	0.064***	0.063***	0.074***	0.074***	0.068***	0.068***
	(0.008)	(0.008)	(0.009)	(0.009)	(0.009)	(0.009)
No-Fault (dum)	0.053***	0.048***	0.042***	0.038**	0.046***	0.046***
	(0.018)	(0.018)	(0.018)	(0.017)	(0.017)	(0.017)
Sacrif (diff)	-0.013	-0.005	-0.003	-0.025	-0.022	-0.022
	(0.022)	(0.023)	(0.022)	(0.023)	(0.026)	(0.026)
SexRatio		0.085**	0.079**	0.079**	-0.042	-0.043
		(0.036)	(0.036)	(0.035)	(0.049)	(0.049)
FamInc			-0.017**	-0.019***	-0.018***	-0.018***
			(0.007)	(0.007)	(0.006)	(0.006)
Kids (dum)				0.052***	0.015	0.015
				(0.015)	(0.019)	(0.019)
Age (diff)					-0.000	-0.000
					(0.002)	(0.002)
AgeMan					0.001	0.001
					(0.001)	(0.001)
Educ (diff)					0.011	0.011
					(0.007)	(0.007)
MarDurr					0.004***	0.004***
					(0.001)	(0.001)
Conf						0.002
						(0.006)
FinConf						-0.001
						(0.005)
Agree (dum)						0.004
						(0.018)
Pseudo-R^2	0.081	0.086	0.092	0.101	0.132	0.132

Significance levels : $*$: 10% $**$: 5% $***$: 1%

In the second step we report robust OLS estimates of the following equation:

$$\ln Alimony_{i,j} = cte + \boldsymbol{\beta}\mathbf{Bargaining}_{i,j} + \boldsymbol{\delta}\mathbf{Match}_{i,j} + \boldsymbol{\gamma}\mathbf{Conflict}_{i,j} + \mu_{i,j} \quad \text{if } Alimony_{i,j} > 0 \tag{6}$$

In section 3.2 we discussed the duty of maintenance under the new no-fault law. According to the law only an ex-spouse who is in a state of neediness is entitled to spousal alimony. Thus we expect that both wage difference (+) and family income (-) matter. The law also states that the courts should take into account the decline in income by taking into account marriage duration, age of the spouses, and their behaviour concerning domestic production. How marriage duration should be taken into account is not specified in the law. On the one hand the later a bad match is revealed the greater the damages. On the other hand the new no-fault law stipulates that the duration of alimony payments is limited to the duration of the marriage. Which effect will dominate is a priori unclear.

Table 4 reports marginal effects of a probit regression estimating the first part of the hurdle model (5). As expected, the state of neediness is important: If the wage difference rises with €1000 the probability of setting a non-zero alimony transfer rises with 6.8% and per €1000 more of monthly family income, the probability decreases with 1.8%. Also the mere fact of following the no-fault trajectory raises the probability of a non-zero alimony transfer with 4.6%. For marriage duration we find a positive sign: if the bad quality of a match is revealed later, the damage will be larger and hence the likelihood of compensation rises. The positive coefficients for

Table 5 reports the second part of the hurdle model (6). We find that partner alimony increases with the wage difference. The size of the coefficient is quite sizable: an additional wage difference of €1000 raises the alimony with 39.1%. Family income has the opposite sign as in the first step indicating that neediness is indeed used to determine who is entitled to alimony, but not the amount. Alimony payments also rise with the age of the man and the duration of the marriage. Both variables are related to wealth gathered during marriage.

Art. 301 §3 subsection 2 stipulates that the judge should take into account the former spouses' behaviour during marriage with regard to the organization of the family's needs and care for the children. We see this as a compensation for victims of rent-seeking. We

indeed find that the difference in household production ($Sacrif$) matters considerably for alimony payments. Couples with a complete unequal distribution of household chores have between 39.5% and 77.2% higher alimony payments than couples with a complete egalitarian distribution of household chores. Judges seem to implement the compensation mechanism rather consistently. Moreover, controlling for all other factors, the alimony payments are a whopping 48.9% higher if couples divorce under the no-fault law. We think of this as an additional penalty to discourage rent-seeking behavior. Therefore the long run equilibrium effect of the no-fault law on rent-seeking may be rather limited. Once partners, that seek divorce for the purpose of rent-seeking, and their legal representatives fully understand they have to pay compensation for the appropriation of quasi-rents in the form higher alimony, the net incentive effect of the no-fault on rent-seeking may become rather dim.

Table 5: Partner Alimony Transfers: Two-Part (Hurdle) Model

Second Step: Linear (Robust) Regression (N = 169)						
Variable	(1)	(2)	(3)	(4)	(5)	(6)
Wage(diff)	0.549***	0.533***	0.442***	0.442***	0.384***	0.391***
	(0.070)	(0.069)	(0.080)	(0.080)	(0.078)	(0.083)
No-Fault	0.356**	0.333**	0.342**	0.328**	0.502***	0.489***
	(0.158)	(0.157)	(0.155)	(0.151)	(0.150)	(0.151)
Sacrif (diff)	0.395*	0.516**	0.455*	0.425*	0.735**	0.772**
	(0.232)	(0.245)	(0.245)	(0.237)	(0.317)	(0.331)
SexRatio		0.453***	0.479***	0.493***	-0.645	-0.675*
		(0.157)	(0.167)	(0.171)	(0.400)	(0.397)
FamInc			0.111**	0.108**	0.106**	0.095*
			(0.050)	(0.052)	(0.051)	(0.053)
Kids (dum)				0.121	-0.171	-0.211
				(0.294)	(0.268)	(0.280)
Age (diff)					0.002	0.003
					(0.013)	(0.013)
AgeMan					0.029**	0.029**
					(0.013)	(0.013)
Educ (diff)					0.067	0.63
					(0.74)	(0.075)
MarrDur					0.030***	0.031***
					(0.009)	(0.010)
Conf						0.035
						(0.057)
FinConf						-0.027
						(0.059)
Agree (dum)						0.198
						(0.158)
Intercept	4.752***	4.287***	4.046***	3.961***	3.401***	3.402***
	(0.251)	(0.340)	(0.369)	(0.461)	(0.617)	(0.684)
R^2	0.293	0.306	0.316	0.318	0.391	0.396

Significance levels : * : 10% ** : 5% *** : 1%

6 Conclusion

In this paper we analyse whether self-potential sacrifice during marriage, i.e. substituting domestic production for labour market production, is related to rent-seeking behaviour during divorce. According to Cohen (1987, 2002) and Parkman (1992) the spouse sacrificing most of his/her labour market career is expected to receive quasi-rents from marriage in a later stage of marriage. This gives the spouse specialised in labour market production an incentive to maximise his/her rent by filing unilaterally for divorce after his or her quasi-rents from marriage were extracted in an early stage of marriage, in this way appropriating the future quasi-rents of his/her former spouse. Why hypothesise that this rent-seeking behaviour is facilitated by the existence of a no-fault unilateral divorce trajectory. We analyse this conjecture by means of unique Belgian data, where no-fault unilateral divorce was only recently introduced. Using a standard probit model we indeed find that couples with a higher inequality of self-potential sacrifice, measured both directly and indirectly through wage discrepancies, are more likely to divorce under the no-fault divorce trajectory than under the consensual divorce trajectory. We can therefore not reject the hypothesis that the no-fault trajectory facilitates rent-seeking behaviour.

Interestingly, the legislator anticipated this rent-seeking behaviour and introduced a paragraph in the new law on no-fault divorce, which stipulates literally that partner alimony transfers should take into account the age of the spouses, marriage duration and sacrifice. By means of a two-part (hurdle) model we find that (1) partner alimony transfers are more likely if marriage duration is long, (2) that partner alimony transfers are more likely for no-fault divorces (3) that alimony transfers are higher for divorces characterised by more pronounced self sacrifice, both if measured indirectly by the wage difference between spouses (the easiest and most observable measure of self-sacrifice available to judges) and directly through our measure of unequal distribution of household chores and 4) that there is an additional heavy penalty for no-fault divorces in terms of higher alimony. In this sense the legislator seems to have succeeded in at least limiting the amount of rent-extraction through the introduction of no fault unilateral divorce.

Child support payments on the other hand are not determined by wage differences or direct self-sacrifice, but by the wage of the payer and residence of the child(ren). Moreover, child

support payments depend neither on the divorce trajectory nor on the presence of partner alimony transfers.

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Table 6: Summary Statistics and Definition

Variable	Mean	Std. Dev.	Min.	Max.	N	Definition
No-Fault Trajectory (dum)	0.273	0.446	0	1	1594	1 if the No-Fault trajectory was followed
Wage (diff)	0.893	0.824	0	5.5	1593	The absolute value of the monthly wage difference 1 year prior to divorce
Sacrifice (diff)	0.462	0.325	0	1	1594	The difference in domestic production 1 year prior to divorce
Child Support	239.27	252.212	0	2000	799	The amount of child support monthly payed
Child Support (if > 0)	317.57	244.038	1	2000	602	The monthly amount of child support payed if child support is payed
WagePayer	2.018	0.996	0	5.5	602	The monthly wage of the payer of child support
Alimony	76.068	311.602	0	6000	1318	The monthly amount of alimony payed
Alimony (if > 0)	593.242	672.703	0.728	6000	169	the monthly amount of alimony payed if alimony is payed
SexRatio	0.918	0.169	0.809	3.201	1594	The ratio of single women over single men per age category of the husband
FamInc	3.212	1.193	0.8	9	1594	The sum of the monthly wages of both spouses
Kids (dum)	0.754	0.431	0	1	1594	1 if the ex-couple had children together
Kids	1.585	1.245	0	8	1594	The number of children the ex-couple had together
Age (diff)	4.001	4.585	0	55	1594	The absolute value of the age difference of the spouses
AgeMan	36.045	11.899	15	77	1594	The age of the husband
YoungChild	13.423	8.407	1	48	1203	The age of the youngest child
Educ (diff)	0.906	0.942	0	4	1589	The difference in education level which is coded on a five-point scale
MarDur	14.417	9.716	0	54.667	1594	Marital duration in years
Agree (dum)	0.197	0.398	0	1	1594	1 if indicated ‘we both wanted a divorce’ to the question ‘Who wanted divorce the most’
Conf	3.232	1.297	1	5	1594	Frequency of conflict prior to divorce on five-point scale
FinConf	2.413	1.379	1	5	1594	Frequency of financial conflict prior to divorce on five-point scale